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Illinois' General Assembly appointed a Commission to Study Non-Public Higher Education in Illinois and directed it to consider the role and needs of private colleges and universities and recommend ways in which the state should aid these institutions. The Commission invited the presidents of all private institutions in Illinois to voice their concerns and submit memoranda on the present and future of their institutions. It also met with presidents of public universities and colleges and respresentatives of the Federation of Independent Illinois Colleges and Universities. Each private institution was requested to submit comprehensive data about its faculty, students, facilities and finances; 17 institutions participated in a substantial long-range planning project looking ahead to 1978; and a management consulting firm conducted field surveys at 12 institutions of the condition of physical plant, adequacy of maintenance, and extent of deferred maintenance. The Commission studied the educational contributions of private institutions, the state's economic and tax base, the question of control in relation to possible state financial aid, and related constitutional problems. It concluded that financial aid from public funds is imperative and proposed several methods of granting aid; it recommended that the State Board of Higher Education administer the programs. Copies of this report may be obtained from the Illinois Board of Higher Education, 300 East Monroe Street, Springfield, Ill. 62706. (JS)

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Strengthening Private Higher Education in Illinois

A Report on the State's Role

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

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AUG 26th 1818

HE000 880

The Commission to Study Non-Public
Higher Education in Illinois

AUG. 26th 1818

Strengthening Private Higher Education in Illinois

A Report on the State's Role

to the Governor, the General Assembly,
and the Board of Higher Education

by the
Commission to Study Non-Public Higher Education in Illinois

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Additional copies of this report may be obtained from the Illinois Board of Higher Education, 300 East Monroe Street, Springfield, Illinois 62706.

STATE OF ILLINOIS
COMMISSION TO STUDY NON-PUBLIC HIGHER EDUCATION

March, 1969

The Honorable Richard B. Ogilvie, Governor
Members of the General Assembly
Members of the Board of Higher Education

The State of Illinois

Ladies and Gentlemen:

The Commission to Study Non-Public Higher Education in Illinois has the honor to present its final report on non-public higher education in this State.

The Seventy-fifth General Assembly in authorizing the Commission, and Governor Otto Kerner in appointing its members, directed the Commission to study the role and needs of non-public higher education in the State of Illinois and "to advise the State Board of Higher Education, the General Assembly, and the Governor on how the non-public institutions can be appropriately related to the public ones, without impairment of their freedom, and on constitutional means by which the State can aid the non-public institutions in the fulfillment of their task."

It is significant that Illinois should be among the first states in the nation to consider these important matters. Illinois has made major advances in higher education in recent years, especially since the establishment of the Board of Higher Education. The public colleges and universities have entered a new stage of development. A statewide system of junior colleges is flourishing. An exemplary system of state scholarships and student grants has done much to extend equality of opportunity and to strengthen each student's freedom of educational choice.

The Commission believes that Illinois must be ready now to take the next decisive step in its policy of preserving and enhancing the diversity of educational opportunities available to students and assuring students the freedom to choose the institutions they wish to attend. That step, in the Commission's judgment, requires the strengthening of the private institutions so that their resources can be utilized more effectively. Together with the public institutions, they serve the public interest.

The private institutions in Illinois share the insecurities of most private colleges and universities in the nation. They face the virtual certainty that the present small general surplus of current revenue over expenditure will continue to decline and will turn into a substantial deficit in the near future. The impending operating deficits are large enough to threaten the solvency, the quality, the vitality—even the survival—of some institutions.

The evidence before the Commission clearly and persuasively supports the conclusion that financial assistance to the private institutions from public funds is imperative. Not only does this evidence point to a future of sizable deficits; it also reveals that the small current operating surplus disguises a low level of faculty salaries and seriously deficient educational resources and facilities. If the quality of higher education in Illinois is to be maintained, much less improved, the private institutions must obtain financial assistance immediately.

The financial pressure on these institutions will mount as they face spiraling salary and other costs. They will be unable to raise tuition and increase other revenues rapidly enough to meet rising expenditures and to permit them to upgrade their educational programs.

The Commission urges that the State of Illinois make direct grants-in-aid to the private institutions according to a formula based on total undergraduate enrollments. In making this recommendation, the Commission has taken into account the fact that Illinois residents enroll in public and private institutions of other states in much larger numbers than the enrollment of the youth of other states in Illinois colleges and universities.

The Commission proposes other forms of assistance to the private institutions. Funds for contracts for services, for furthering inter-institutional cooperation, for constructing new academic facilities with the assistance of the Illinois Building Authority, and for offering advisory service on institutional management are among the specific recommendations.

The Commission recommends that the Board of Higher Education, a strong, effective, and respected public body, be given the responsibility for administering these programs. The members of the Commission are confident that the Board will draw the private institutions into fuller association with the public institutions as both move toward meeting more completely the educational needs of the people of the State.

Finally, the Commission is convinced that it is clearly in the public interest for the State to extend financial assistance to private institutions. The Commission urges that such assistance should be made available at the earliest possible moment to eligible institutions. The Commission sees no apparent bars under the Constitution of the State to direct assistance to those private institutions which, free of sectarian control, embrace a broad public purpose.

By improving and strengthening private colleges and universities, by enabling the private institutions to remain viable in partnership with the public institutions, by enriching and extending the diversity of educational opportunities open to its citizens, the State will make a significant and unmistakable contribution to the general welfare of its people.

We present our report with the confident expectation that the State of Illinois will act forthrightly to meet this new responsibility in higher education.

Respectfully,

T. R. McConnell, Chairman
Merrimon Cuninggim
Edward D. Eddy
Samuel B. Gould
Abram L. Sachar

Merton W. Ertell
Staff Director

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Foreword

ORIGIN OF THE INVESTIGATION

Private colleges and universities in Illinois, as in other states, face severe problems. Some of them fear increasing fiscal instability, or even insolvency, and the deterioration in educational quality that will inevitably follow either.

These apprehensions have been induced by a complex set of circumstances. One is the prospect of having to raise tuition until the widening gap between the costs of attending private and public institutions prices the former out of the market. Another apparent threat was the proposal of the Board of Higher Education to establish four new senior colleges.

During the session of the General Assembly in the early months of 1967, many individuals and organizations deeply concerned with the development of higher education in the State held extended discussions of the appropriate roles and relationships of the public and private sectors of higher education, their respective rates of growth, and the sources and magnitude of their support. The legislature substantially increased the funds for State scholarships and student grants-in-aid tenable at both public and private institutions. It established two, rather than four, new public senior colleges, one to be located in Springfield and the other in Cook County.

Finally, the General Assembly created a Commission to study the role and needs of the non-public colleges and universities. It also directed the Commission to propose constitutional means by which the State could aid these institutions.*

Governor Otto Kerner appointed the Commission in January, 1968, and introduced the members to the presidents of both private and public institutions and to members of the legislature in the latter part of that month.

COMMISSION PROCEDURES

In a series of meetings during the first half of 1968, the Commission invited the presidents of all of the private institutions in Illinois to voice their concerns and make suggestions for the future of the non-public sector of higher education. Many of the presidents met with the Commission, although some were unable to attend any of the meetings. The Commission also met with the presidents of the public universities and colleges. One of the first groups with which the Commission conferred included the officers and other representatives of the Federation of Independent Illinois Colleges and Universities.

The Commission also invited each of the presidents to present a memorandum on the present and future of his own institution.

Through its staff, the Commission undertook a program of major studies:

1. A study of historical and financial data
2. A long-range planning project
3. A survey of physical plant and maintenance

The Commission requested each private institution, other than seminaries and proprietary institutions which it excluded from its purview, to submit comprehensive data about the institution—its faculty, students, facilities, and finances. Of the 71 institutions which were asked to provide this information, 61 responded.

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*The legislation establishing the Commission provided as follows:

> Section 2. The sum of $250,000 or as much thereof as may be necessary is appropriated for a study of the role and needs of non-public higher education in the State of Illinois; said study to be conducted by five out-of-state qualified and eminent educators, none of whom shall be connected, directly or indirectly, with higher education, public or private, in the State of Illinois. The members of this commission, who shall be appointed by the Governor of the State of Illinois, are to advise the State Board of Higher Education, the General Assembly and the Governor on how the non-public institutions can be appropriately related to the public ones, without impairment of their freedom, and on constitutional means by which the State can aid the non-public institutions in the fulfillment of their task.

The Commission invited 18 institutions to participate in a substantial long-range planning project; they were asked to look ahead to the years 1972-73 and 1977-78. All but one agreed to take part, and 15 detailed plans were submitted.

The Commission retained a management consulting firm to conduct a field survey at 12 institutions of the condition of physical plant, adequacy of maintenance, and extent of deferred maintenance. Eleven agreed to participate in this project.

The Commission studied the role and contributions of the private institutions, their educational characteristics, the State's economic and tax base, the question of control in relation to possible State financial assistance, and related constitutional problems.

ACKNOWLEDGMENTS

The Commission received generous cooperation from many persons and organizations in the State of Illinois. It would be remiss if it did not express its grateful thanks for their participation.

Governor Kerner, as initiator, gave substantial encouragement to the Commission. Soon after the Commission was named, he accepted an appointment to the Federal bench but he continued to retain an active concern for the Commission's work. Governors Samuel Shapiro and Richard Ogilvie and the members of their staffs were readily available. Their interest and concern contributed further to the work of the Commission.

The Chairman and the Executive Director of the Board of Higher Education were generous with their time and counsel, as were the Chairmen and Executive Directors of the Illinois State Scholarship Commission and the Junior College Board. Members of the staff of the Office of Superintendent of Public Instruction and the Division of Management Services, among other State agencies, were particularly helpful. The Illinois State Chamber of Commerce, the State AFL-CIO, the regional office of the U.S. Office of Education, the Taxpayer's Federation of Illinois, and other civic and public groups assisted in a variety of ways.

A special word of appreciation is due the Federation of Independent Illinois Colleges and Universities and its Executive Director, and the presidents of the individual private institutions in the State for their continuing participation.

Finally, the Commission gratefully recognizes the assistance it received from the presidents of the public institutions and from the executive officers of the Board of Governors and the Board of Regents.

Many other persons made contributions to the work of the Commission. Although they are not mentioned by name, the Commission wishes to record its indebtedness to them.

CHAPTER I

The Dual System of Higher Education in Illinois

THE TWO SECTORS

The structure of higher education in Illinois is basically similar to that in other mid-western states and to the general pattern in the United States. The early development of private institutions in the State came in the late 1820's, followed by the emergence of the first Illinois public institution after the close of the Civil War. In the ensuing decades, both sectors grew in number of institutions and in enrollments. More recently, substantial growth has occurred in the public sector, augmented by the development of an expanding public junior college system. Much of the impetus for the latter development came with the passage in 1965 of the Junior College Act.

Total college enrollment in the State grew from 126,577 in 1951-52 to 343,718 in 1967-68. Over the same period, enrollment in the public institutions increased more than four-fold, from 45,550 to 209,435. The public junior colleges accounted for almost 82,000 of the latter total, an increase of two and one-half times over their enrollments as recently as 1960-61. The private institutions enrolled 81,027 students in 1951-52 and 134,283 in 1967-68, a 66 per cent increase over the 16 years.

In their parallel development, the private and public sectors now provide educational programs encompassing a broad spectrum of level and type, ranging from associate degree programs through baccalaureate, masters, professional, and doctoral studies. Virtually every field of study is represented by the offerings at one or more of the private or public institutions. Both sectors share the responsibility for providing educational opportunities for a wide range of age groups; some universities and colleges provide substantial programs of continuing education. In both sectors there are complex, multipurpose institutions as well as institutions with more limited purposes. Several public and private universities are heavily engaged in sponsored research.

The two sectors share a basic similarity of function and role. Through them, the citizens of this State enjoy a wide choice of educational opportunities. Each sector has contributed to the diversity, strength, and improvement of higher education in Illinois. Each has complemented the other in meeting the needs of the people of the State.

Differences in functions between the private and public sectors are of degree, not of kind. To provide a still better educational system in the State, both sectors must continue to work together. As President David Henry of the University of Illinois observed recently:

> Over and above the divisiveness that some would create, I believe profoundly and always have, all of my professional life, that no state can have a strong system of higher education unless all of its parts are bound together. There is a unity in the welfare of higher education that will not tolerate any segment to be weak and another strong, particularly as we look to the future of our institutions and the critical problems in connection with finance. We must find ways and means of strengthening all institutions.

In a similar vein, Dr. Talman Van Arsdale, Jr., President of Bradley University and the President of the Federation of Independent Illinois Colleges and Universities, commented to the Commission:

> There is no evident divisiveness between public and non-public higher education in Illinois, nor should there be. Institutions comprising each of these sectors are, and must continue to be, integral parts of the system of higher education in our State. To impair either or both would be to impair the future of our citizens and the prosperity of the State. Working together, the public and non-public institutions will continue to be institutions of progressively better quality and, above all, the resources for making Illinois a major contributor to the welfare of the nation.

Enrollments

The pattern of enrollments in the two sectors has shifted over time. As recently as 1957-58, the private sector (excluding theological, technical, and proprietary institutions) enrolled over 52 per cent of all students in the State. With the expansion of the public institutions since 1958, the share of the private sector declined to some 36 per cent of the total in 1967-68. This decline in relative share has been consistent with national trends. The increases in number of students and shifts in relative shares for the period 1957 to 1967 are shown in Table I.*

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*In this table, and in most of those which follow, the category of "Other Universities" includes six private institutions, which have the word "University" in their name, and Illinois Institute of Technology.

Table I

TOTAL HEAD COUNT ENROLLMENTS
IN THE STATE OF ILLINOIS

Private institutions	1957-58	1960-61	1965-66	1966-67	1967-68
Chicago and Northwestern	24,811	24,265	24,271	25,477	26,051
Other universities	34,723	36,153	44,207	45,388	46,282
Colleges	23,157	27,151	34,776	37,176	38,144
Junior colleges	1,128	1,690	7,164	7,768	7,749
Health institutions	750	827	917	969	995
Law schools	648	841	1,504	1,632	1,600
Fine arts institutions	3,284	2,939	2,789	2,273	2,249
Total	88,501	93,866	115,628	120,683	123,070
Per cent in private	52.5	46.9	39.3	38.4	35.8
Public institutions					
Universities	45,371	59,041	98,189	107,419	116,582
Colleges	3,767	5,242	8,215	9,083	11,035
Junior colleges	22,011	31,963	62,124	66,630	81,818
Total	71,149	96,246	168,528	183,132	209,435
Per cent in public	42.2	48.1	57.3	58.2	60.9
*Other private institutions**	9,258	9,980	10,082	10,771	11,213
Per cent in other	5.5	5.0	3.4	3.4	3.3
GRAND TOTAL	168,719	200,092	294,238	314,586	343,718

*This category includes theological institutions and technical and proprietary institutions.

This table reports head count enrollment. The corresponding full-time equivalent enrollments average approximately four-fifths of the head counts and reflect similar relative shares.

Chart I

TOTAL HEAD COUNT ENROLLMENTS IN THE STATE OF ILLINOIS

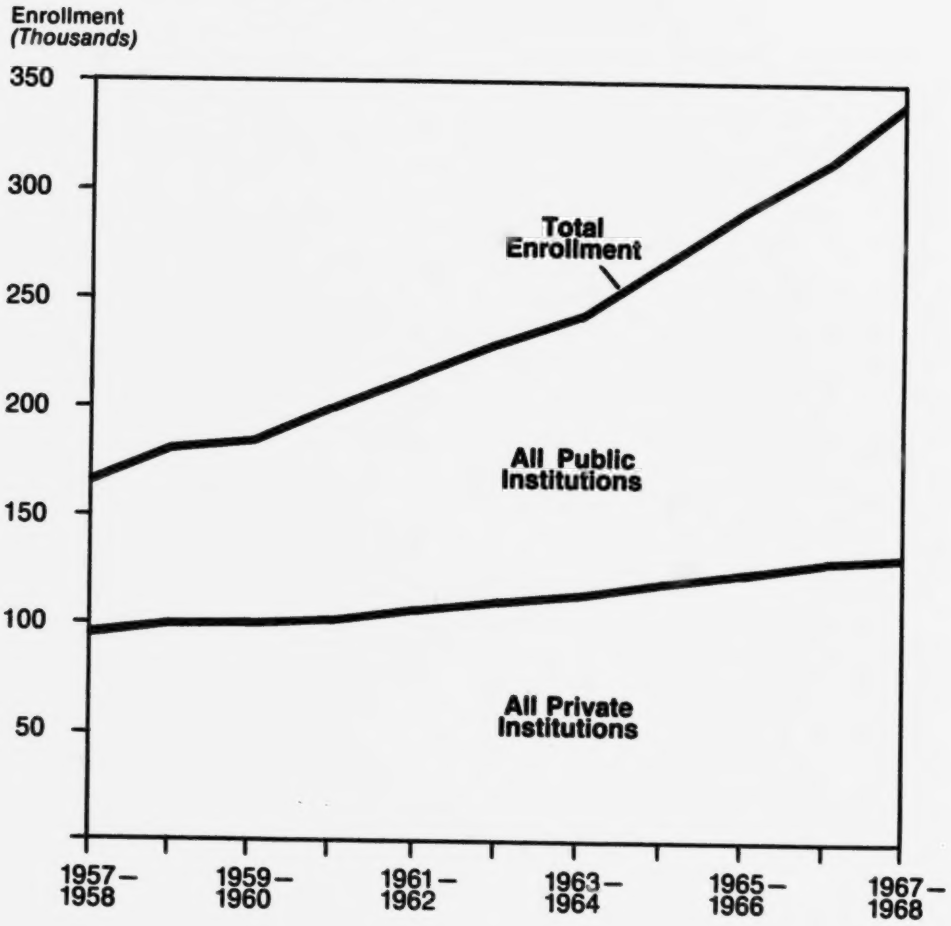
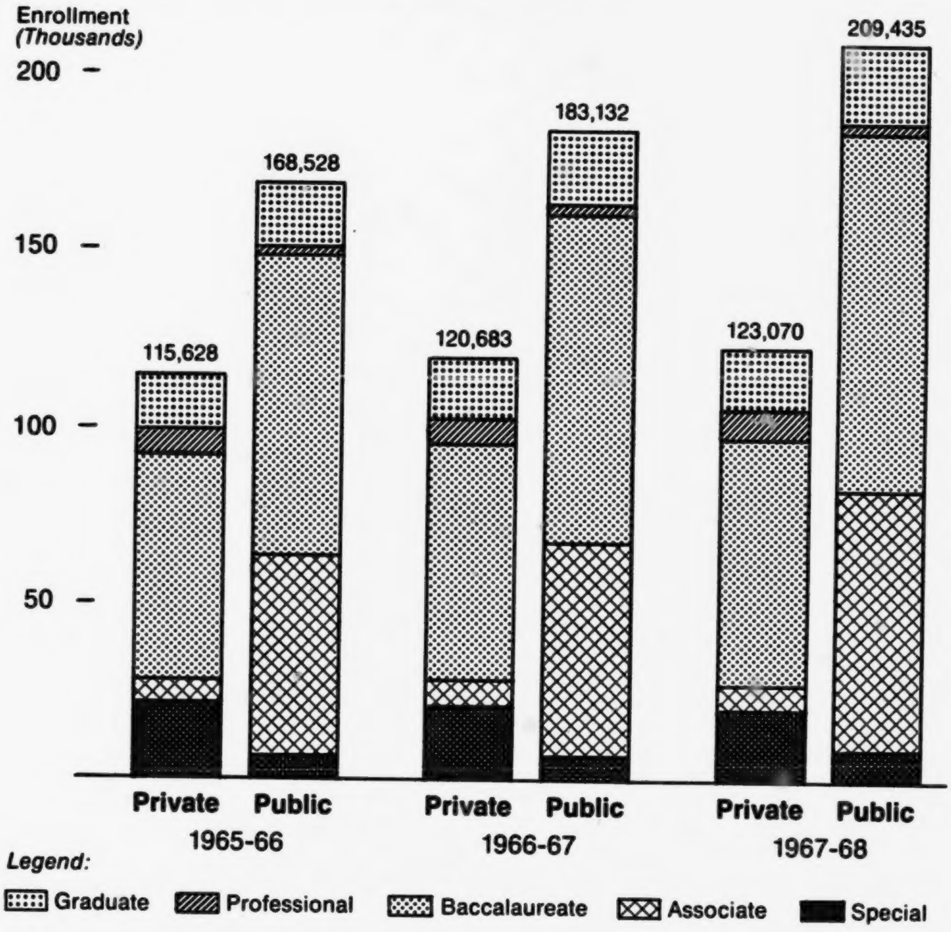


Table II reports head count enrollments by instructional level for 1965-66, 1966-67, and 1967-68 in the private and public institutions.

The enrollment projections prepared by the Illinois Board of Higher Education for its first and second Master Plans are based on both increasing population and increasing rates of college attendance in the usual college age groups as well as among adults. These projections reflect the expectation of continuing growth in both public and private sectors, but with relatively more rapid growth in public institutions. The resulting share in the private sector is estimated to be 30 per cent by 1980, with 70 per cent in the public sector. Table III summarizes the Board's projections in its 1966 *Master Plan—Phase II.*

Chart II

HEAD COUNT ENROLLMENTS BY INSTRUCTIONAL LEVEL IN PRIVATE AND PUBLIC INSTITUTIONS



Degrees Conferred

The relative proportion of degrees conferred by private institutions in the State has been somewhat larger than their share of enrollments in recent years. In part, this is attributable to the fact that the degree data exclude associate degrees while the enrollment data include junior college students.

Until recently, however, the number of associate degrees conferred in the State has been relatively small. Table IV summarizes the baccalaureate and higher degrees conferred by institutions of higher education in the State for the period 1960 through 1967.

Table II

HEAD COUNT ENROLLMENTS BY INSTRUCTIONAL LEVEL IN PRIVATE AND PUBLIC INSTITUTIONS

Private institutions	1965-66	1966-67	1967-68
Graduate	15,611	17,549	17,561
Professional	7,458	7,513	8,114
Baccalaureate	63,990	67,496	69,929
Associate	6,854	7,464	7,355
Special	21,715	20,661	20,111
Total	115,628	120,683	123,070
Public institutions			
Graduate	18,208	20,727	22,612
Professional	2,581	2,758	2,941
Baccalaureate	84,655	92,396	101,261
Associate	56,506	60,536	73,728
Special	6,578	6,715	8,893
Total	168,528	183,132	209,435

Table III

BOARD OF HIGHER EDUCATION DEGREE-CREDIT ENROLLMENT PROJECTIONS TO 1980 IN ILLINOIS

			Degree Credit Enrollment		
Year	College-Age Population	Enrollment Rate	State Total	All Public	All Private
1965	579,000	52.8	305,000	175,000	131,000
1970	709,000	66.6	472,000	295,000	177,000
1975	816,000	73.1	596,000	397,000	199,000
1980	872,000	78.1	681,000	473,000	208,000

Table IV

DEGREES CONFERRED BY ILLINOIS INSTITUTIONS

Private institutions	1960-61	1965-66	1966-67
Doctoral	403	635	721
Professional	1,605	1,356	1,654
Masters	2,058	4,137	4,364
Baccalaureate	9,851	11,969	12,311
Total	13,917	18,097	19,050
Public institutions			
Doctoral	433	609	658
Professional	959	593	469
Masters	2,261	4,241	4,661
Baccalaureate	7,253	12,299	13,133
Total	10,906	17,742	18,921
Per cent of degrees conferred by private institutions	56.1	50.5	50.2

THE PRIVATE SECTOR

Illinois has a long and proud tradition in both public and private higher education. One of the first advocates of higher education "in service to the people" was Illinois' Jonathan Turner, recognized nationally as a spokesman for the movement which led to the founding of both land-grant colleges and state universities. The more recent development of various forms of public higher education in the State has brought distinction and acclaim to Illinois.

In the private sector, the achievement is no less important. The graduates of both small and large Illinois private colleges and universities have provided the State with an extra dimension of leadership. The communities and counties of the State are richer, better places to live because of the private colleges and universities in their midst.

Though recent trends have tended to erase some of the differences between public and private institutions, essential distinctions remain. And it is important to the State and its people to have these institutions continue in their service.

Most of Illinois' private colleges and universities are relatively small, somewhat self-contained communities of learning. In a sense, they are removed from the constant temporal change. At their best, they emphasize the close relationship between teacher and student, between student and subject, and between man and the continuum of life. Within the confines of the academic community, the freedom to teach and to learn is practiced daily to the point that it does not become a source of tension but an accepted way of life.

By tradition, too, the private colleges and universities of Illinois present each prospective student with the important element of choice. By necessity most of the state universities and colleges must be large, multi-purpose, and sometimes impersonal institutions. The private sector offers a variety in size, purpose, and character. It reduces the danger of institutional conformity which, if allowed to develop unheeded, would surely stifle higher learning. It is particularly important that each institution select and perform its own role and that it not seek to transform itself beyond what it rightfully, thoughtfully chooses to be.

Thus within each private college and university lies the precious opportunity for a distinctive impact on human life. Whether or not the institution succeeds in fulfilling this responsibility to the student depends on the spirit, the leadership, the quality of faculty, and the scope of resources, including library and physical facilities. Nonetheless, the State gains by having within its borders this potential for rich diversity. Nothing is more precious than human life. Nothing so enriches human life as education of genuine substance and quality.

The Institutions

The private sector of higher education in Illinois encompasses 71 institutions, excluding theological seminaries and proprietary institutions. Included are nine universities, 38 four-year colleges, 13 junior colleges, four free-standing health institutions, two free-standing law schools, and five institutions for the fine arts.*

Universities. All nine universities are in urban areas; six are in the Chicago area and three in smaller communities. All are members of the North Central Association of Colleges and Secondary Schools. Two of the universities are large, complex institutions which draw a substantial proportion of their students from states other than Illinois. They provide major doctoral programs and offer a number of professional curricula. Both are members of the Association of American Universities. The special character of the private sector in Illinois is influenced by the prestige of these two universities.

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*Appendix A provides a list of these institutions.

Five of the other seven universities are relatively large and offer a variety of programs. Two of them awarded as many as 150 doctoral degrees in 1966-67; one emphasizes technical studies, and one offers several professional programs. Three of the five concentrate on baccalaureate and masters level work with a more limited number of professional offerings. The student bodies at three of the five are made up largely of Illinois residents, and all five have sizable part-time and evening programs. The other two universities are smaller in size and concentrate their offerings at the baccalaureate level with limited graduate study.

Colleges. The 38 four-year colleges represent wide diversity in size, purpose, clientele, and programs. Only one enrolled more than 2,000 students in 1967-68 and fewer than half of the other 37 had enrollments larger than 1,000. Of the smaller colleges, four enrolled between 300 and 500, and three had student bodies of fewer than 300. Thirty of the 38 are members of the North Central Association.

Most of the colleges may properly be considered general purpose liberal arts institutions. Several colleges, however, concentrate on the preparation of teachers, and some provide baccalaureate training for young people who are preparing to enter a religious order. While the student bodies at some of the colleges are comprised largely or almost entirely of students of a particular denomination or faith, only one college limits its enrollment entirely to students of one church.

In addition to liberal arts studies, several of the colleges offer programs in such professional fields as nursing and special education, and some offer the masters degree. A few offer studies leading to professional or graduate degrees in theology.

Some of the institutions derive their enrollments almost entirely from Illinois residents, while others draw from a much wider geographic area. In 1967-68, ten colleges reported that 75 per cent or more of their students were from Illinois, whereas seven reported less than 40 per cent from the State.

Junior Colleges. Of the 13 junior colleges, four have been established in the past six years. Five of them are very small, with total enrollments ranging from 40 to 200 in 1967-68. Only four are members of the North Central Association. Most of the junior colleges are general purpose institutions, offering college-parallel as well as terminal programs, although four concentrate their efforts on the education of prospective members of a religious order.

Other Institutions. The free-standing health institutions, including schools of medicine, optometry, osteopathy, and podiatry, and the two law schools are all members of their respective accrediting associations. Four are schools of music with one art institute in the fine arts group. All of the specialized institutions are located in the city of Chicago.

Several of the institutions have been active in extending educational opportunities to disadvantaged youth. For example, among the universities, two reported that between 6 per cent and 10 per cent of their 1967 enrollments were made up of Negroes; two of the four-year colleges reported proportions of 5.2 per cent or above (the national average is 5.15 per cent); and one of the junior colleges reported that Negroes made up 30.9 per cent of its student body.* In total, private institutions in Illinois with student bodies of 500 or more enrolled 3,406 Negroes, or 4.3 per cent of their total enrollments.

Institutional Control

Just as the private institutions of higher education in Illinois reflect substantial diversity with respect to type, size, organization, and programs, so they also show substantial diversity in control. Early institutions in the State were typically founded by religious bodies, and, while the great majority reflect their sectarian origin, only a few remain under sectarian control.

Based on information contained in the institutions' current bulletins, in the statements which they presented to the Commission, and in data reported in other published sources, it appears that 13 of the 60 universities, colleges and junior colleges, and all 11 of the specialized institutions are now independent in control. The remaining 47 maintain some relationship with a church or denomination or

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The Chronicle of Higher Education, April 22, 1968.

other religious body. In many of these, the relationship is tenuous to an extent which suggests that the institution is, in fact if not in formal structure, independent. Eighteen are related to the Roman Catholic church; 24 are related to a Protestant denomination, and three are inter-denominational. One is related to the Jewish faith, and one to the Christian Science church.

There are many kinds and degrees of church relationship. The Commission has observed that a church relationship *per se* does not mean church control, nor does the fact that an institution espouses sectarian interests necessarily mean that it is under church control. In some instances, the institution is owned by the church; in others, a majority of the members of the Board of Trustees are clerical or lay members of a church body. But in still others the connection is less direct, although it may include such aspects as contribution to financial support by the religious body or the linkage of institutional purposes to a particular denomination.

A few examples illustrate the diversity of these relationships. One college received 13.5 per cent of its educational and general fund revenue from its sponsoring church in 1966-67; another received 16 per cent. One college states in its bulletin that it "provides a distinctively Christian philosophy of education," and another states that it has retained "its affiliation with the . . . Church." But in other cases the relation is very remote. An institution may have a nominal denominational relationship and yet receive no financial support from the denomination or have only a small number of trustees elected by the church body.

It is apparent that church relationship may not mean church control or religious indoctrination. There are many degrees of denominational affiliation to be taken into account.

The Assets of the Private Institutions

The private institutions in Illinois reflect substantial aggregations of faculty, library collections, physical facilities, endowments and other resources, the totality of which might lead aptly to their characterization as "assets in being." Data on all of the private institutions were not available to the Commission. A detailed analysis of 39 universities, colleges, and junior colleges, representing some 85 per cent of the 1967 enrollments in all the private institutions in the State, underscores, however, the importance of these collective assets. The selection of these 39 institutions is described in Chapter II, and the detailed data are presented in Appendix B. The nature of these assets is indicated by the following summary.

> The institutions reported a total of 6,200 daytime faculty members for 1966-67. This total is made up of 5,200 full-time and 1,000 part-time staff. From 1960-61 to 1966-67, the number of faculty members increased by 37 per cent.
>
> The libraries at these institutions held almost 8,000,000 volumes in 1966-67 and acquired over 400,000 new volumes that year. They had a total of some 80,000 current periodicals and serials. In all they spent more than $8 million in library operations.
>
> The institutions reported total assets of some $1.2 billion.
>
> Their physical plants represented an investment of $650 million.
>
> Their endowments totaled well over $420 million.
>
> Gifts for current operations totaled over $34 million.

Two institutions, Northwestern University and The University of Chicago, tend to dominate many of the foregoing totals because of

Table V

THE FACULTIES AT THE PRIVATE INSTITUTIONS
(Survey Group)

	1960-61	1966-67
Total faculty		
Chicago and Northwestern	1,823	2,263
Other universities	1,394	2,006
Colleges	1,195	1,752
Junior colleges	117	216
Total	4,529	6,237
Full-time faculty		
Chicago and Northwestern	1,563	1,989
Other universities	1,118	1,584
Colleges	966	1,439
Junior colleges	78	162
Total	3,725	5,174

the large size and scope of their operations. Nevertheless, the other institutions comprise an impressive reservoir of educational resources. Tables V, VI, and VII summarize the asset data for the years 1960-61 and 1966-67. They show the respective magnitudes for each of the major types of institutions in the survey group.

Table VI

THE LIBRARIES OF THE PRIVATE INSTITUTIONS
(Survey Group excluding The University of Chicago)

	1960-61			1966-67		
	Total Volumes	Annual Acquisitions	Periodicals	Total Volumes	Annual Acquisitions	Periodicals
Universities (excluding Chicago)	2,528,786	98,665	23,565	3,218,099	158,151	33,598
Colleges	1,245,175	56,599	7,499	1,802,765	103,385	12,436
Junior colleges	64,350	3,586	484	91,195	10,958	831
Total	3,838,311	158,850	31,548	5,112,059	272,494	46,865

Note: The American Library Association statistical report for 1965-66 showed 2,445,141 volumes, 120,489 acquisitions, and 27,388 serials at The University of Chicago.

Economic, Cultural, and Other Contributions

In addition to these assets, the private institutions have made other contributions to the State. Their research activities in all fields of knowledge bring important benefits not only in attracting industrial enterprise and stimulating economic development but in contributing to the understanding and quality of human affairs as well. Graduates of many of these institutions exert an influence on their communities far out of proportion to their number.

The private colleges and universities have had considerable economic impact on their communities. Institutional payrolls and other current outlays as well as purchases by students and their parents are substantial in many communities, particularly the smaller ones in which the institutions may represent the largest "firms." To illustrate, one college reported that its annual operating expenditures (not including capital outlays) exceed $4 million. It employs about 300 persons with an annual payroll of more than $2.2 million. More

Table VII

THE FINANCIAL ASSETS OF THE PRIVATE INSTITUTIONS

(Survey Group)

	1960-61	1966-67
Total assets		
Chicago and Northwestern	$500,769,020	$708,701,978
Other universities	106,868,535	243,454,329
Colleges	135,548,872	279,114,477
Junior colleges	5,214,251	16,269,372
Total	$748,400,678	$1,247,540,516
Investment in physical plant		
Chicago and Northwestern	$165,883,168	$266,128,454
Other universities	74,242,157	182,359,787
Colleges	79,991,060	177,091,544
Junior colleges	3,975,633	12,653,322
Total	$324,092,018	$638,233,107
Endowment (book value)		
Chicago and Northwestern	$257,023,473	$329,208,035
Other universities	22,541,348	34,390,216
Colleges	36,926,476	53,538,933
Junior colleges	892,739	1,884,384
Total	$317,384,036	$419,021,568
Gifts for current operations		
Chicago and Northwestern	$16,799,116	$21,928,191
Other universities	2,629,212	4,649,641
Colleges	4,111,519	6,687,103
Junior colleges	299,010	751,617
Total	$23,838,857	$34,016,552
Capital expenditures		
Chicago and Northwestern	$7,376,368	$21,141,230
Other universities	6,183,754	20,979,594
Colleges	7,173,735	14,644,648
Junior colleges	149,891	205,212
Total	$20,883,748	$56,970,684

than three-fourths of the staff own their own homes and pay property taxes. Annual expenditures in the community by students, parents, visitors, salesmen, and others are estimated at $500,000. Another college estimated that its expenditures in the community reach approximately $5 million annually. A third noted that "the welfare of the community has correlated with the rise and fall of the fortunes of the college more closely than with any other factor."

The institutions have made important contributions through a variety of educational services to their respective communities. Programs of continuing education for adults and programs for business executives and public employees have been particularly noteworthy, as have been the scholarships which are often offered to young people of the community. Frequently, faculty members are called on for assistance in community planning and in conducting studies of social, civic, economic, or educational problems. And students undertake many services, such as tutoring disadvantaged students, and charitable and other services of a wide range.

The stimulus given to cultural activities is another major form of community enrichment provided by these institutions. Art and music courses, drama, concerts, and exhibitions enlarge the cultural life. In many instances, the local campus operates as the cultural center of the entire community or region.

WHAT LIES AHEAD FOR HIGHER EDUCATION IN ILLINOIS?

Enrollments

Projections by the Board of Higher Education for the year 1980 show a substantial growth in population, especially in the proportion of the population which will be enrolled in some level of higher education in the State. The Board's 1966 *Master Plan—Phase II* projected an increase in enrollment from 305,000 students in 1965 to 681,000 in 1980. This increase of 120 per cent was predicated on an increase in the college age population from 579,000 to 872,000 combined with an increase in the enrollment rate (the number of degree credit students of any age enrolled per each 100 persons in the college age population) from 52.8 to 78.1.

The Board anticipated that the share of degree credit enrollment in all public institutions would increase from 57 per cent to 70 per cent by 1980. In the private sector, it predicted that enrollment would increase from 131,000 in 1965 to 208,000 in 1980, although the relative share would drop from 43 to 30 per cent.

The Commission concludes that these projections have been carefully prepared and do, in fact, represent a satisfactory basis for planning to meet the probable enrollment of students in Illinois over the intervening years.

Some representatives of the private institutions have recently called attention to the declining birth rates in the nation and have urged revision of the Board's projections on this basis. It is true that a declining birth rate, if sustained, will tend to reduce the rate of growth of the population pool from which the majority of college enrollments come. But this reduced rate will be balanced, to some extent, by the substantial growth in absolute numbers in the pool, and will be off-set further by the increasing interest in higher education in all age groups in the population. Among adults, one might cite the need for continuous retraining in the professions and other careers, training for emerging professions, and the effects of increased leisure in the American society on the requirements and opportunities for adult education. Furthermore, in Illinois, as in all other states, the need for providing educational opportunities for disadvantaged youth is enormous, and over the years will undoubtedly exceed the dimensions which might be anticipated today.

Taking these factors into account, the Commission believes that the projections of future enrollment in Illinois are a sound basis for future master planning. Nonetheless, it would urge continuing review of enrollment projections as part of this State planning.

Private Sector Participation in Meeting Future State Needs

Given the projections of future enrollments in higher education, and given the assets which the private institutions represent, it is clear that **Illinois must preserve strong and vital private institutions.** The advantages of the dual system of higher education in the State, described above, underline this point. The question naturally follows: How can the private sector best utilize its assets in partnership with the public sector in meeting future needs?

Maintaining Independence. First, one of the most significant contributions which the private sector can make is to retain its independent control and decision. It must maintain a strong sense of community, unity of purpose, and freedom to experiment, challenge, and innovate. Private colleges and universities should enhance their freedom from political influence and rivalries and from self-serving social pressures. At the same time they need to strengthen their capability for providing a productive environment for scholars, for serving as a catalyst for intellectual freedom in other institutions and organizations, and for acting as a conscience and arbiter of taste for society. And although some public surveillance will properly be necessary if there is to be assistance from public funds, the private institutions must hold in their own hands the essential ingredient of final authority over institutional purposes, programs, and clientele.

Strengthening Program. Second, the private institutions can make a major contribution by improving their educational programs. It should be evident that institutions can improve their academic role in ways other than by raising their qualifications for admission; they can achieve excellence at quite different levels. A college attended by students of modest ability can be excellent, as John Gardner has observed. Concern for the individual student, for his intellectual life and personal development, and for the quality of his citizenship are central to that possibility of excellence.

Increasing Enrollments Judiciously. Third, an institution may improve itself either by increasing enrollments to achieve a more efficient size, or by remaining small where available resources indicate the wisdom of such a decision.

Thus the private institutions can meet the needs of the State by upgrading and improving their academic status, by increasing enrollments, or by a combination of both. While many persons think of service to the State largely in terms of enrollment, **the Commission is persuaded that qualitative improvement is the primary responsibility of the private institutions in Illinois as well as in most other states.** Accordingly, it concludes that institutions should consider increasing their size only after strengthening and upgrading themselves and then only if resources are clearly and demonstrably available.

Each college or university should be free to make its own decisions with respect to growth, but it should be aware that increasing enrollment may change its character, even subtly, and **will not help the institution financially,** since its tuition revenues do not cover total costs for each additional student. Larger enrollments may simply enlarge deficits.

CHAPTER II

The Present Status of the Private Institutions

In summary, the Commission's major conclusions are these:

> **The surplus of current revenue over expenditures is declining and most private institutions in Illinois face the prospect of debilitating deficits within a very few years.**
>
> **The current financial situation would be even more serious if the institutions were paying adequate faculty salaries and benefits.**
>
> **The present small operating surplus disguises a large backlog of deferred maintenance, impoverishment of libraries, inadequate administrative staffing, and other deficiencies.**

The evidence on which these conclusions are based is presented in the following sections of this chapter.

Using information obtained from several State sources, including the Bureau of Institutional Research of the University of Illinois, the State Scholarship Commission, the Superintendent of Public Instruction, and the Board of Higher Education, the Commission identified 71 private institutions of higher education in the State.

Each institution was requested to provide a substantial amount of historical data. Of the 61 that complied, reports of 39 universities, colleges, and junior colleges were selected as being sufficiently complete in all relevant sections and years to present a satisfactory basis for analysis and comparison. These 39 institutions represented 85 per cent of the total head count enrollment and full-time equivalent enrollment in all 71 private institutions in the fall of 1967, and just under 90 per cent of the enrollments at the 60 universities, colleges, and junior colleges. Although the 39 represent slightly fewer than two-thirds of the 60 universities, colleges, and junior colleges in Illinois, they reflect the diversity of type, control, size, complexity, and student clientele of the private sector.

The specialized institutions are omitted in the formal sections of this report and in the summary tabulations because they responded in limited fashion and, in some cases, offered only sketchy information. Omitting them at this stage should not be construed as implying that these institutions are not important; they have been included in the Commission's consideration.

CURRENT CONDITION OF THE PRIVATE INSTITUTIONS

The private institutions in Illinois share the insecurities of most private higher educational institutions in the nation. They face the probability that the surplus of current revenue over expenditure will continue to decline and that they will encounter general deficits in the near future.

Current Financial Operations

The institutions appear now to be in generally satisfactory financial condition only if one accepts their present quality. They are not affluent but, with few exceptions, are operating with a small surplus in their educational and general funds and their auxiliary enterprise accounts. This "black" figure, however, actually disguises a serious underlying deficiency—one which, unless repaired, can only become worse. **The surplus is achieved at the cost of relatively low faculty salaries, a significant amount of deferred maintenance, and inadequate library development.** At many institutions, financial stringency imposes a freeze on activities that the pressures of the times dictate should be undertaken. In some instances, financial instability forces them to engage in risky financial management.

Table VIII summarizes the revenues and expenditures in educational and general funds and auxiliary enterprise accounts for the

Table VIII

REVENUE AND EXPENDITURES FOR CURRENT FUNDS OPERATIONS

(Survey Group)

	1960-61		1965-66		1966-67	
	Educational and General	Auxiliary Enterprises	Educational and General	Auxiliary Enterprises	Educational and General	Auxiliary Enterprises
Revenue						
Chicago and Northwestern	$61,272,798	$12,939,692	$95,680,907	$18,707,994	$104,414,811	$20,243,892
Other universities	25,125,650	5,214,638	45,141,917	9,579,122	50,848,561	10,686,113
Colleges	21,232,329	9,358,063	38,271,682	15,485,062	43,692,697	16,920,452
Junior colleges	1,450,363	714,710	3,645,466	1,210,951	4,292,091	1,171,051
Total	$109,081,140	$28,227,103	$182,739,972	$44,983,129	$203,248,160	$49,021,508
Expenditures						
Chicago and Northwestern	$60,505,343	$12,753,963	$94,040,626	$18,151,098	$104,149,601	$19,913,134
Other universities	23,178,609	4,778,575	43,155,605	8,759,977	49,711,334	9,926,005
Colleges	21,435,751	8,203,727	38,406,176	13,957,259	43,705,309	15,952,461
Junior colleges	1,590,861	550,106	3,383,768	995,544	3,988,836	1,027,980
Total	$106,710,564	$26,286,371	$178,986,175	$41,863,878	$201,555,080	$46,819,580
Surplus	$2,370,576	$1,940,732	$3,753,797	$3,119,251	$1,693,080	$2,201,928
Combined surplus	$4,311,308		$6,873,048		$3,895,008	
Combined surplus as per cent of revenue	3.14		3.02		1.54	

years 1960-61, 1965-66, and 1966-67, by the type of institution. Sponsored research accounts are not included in this summary. For all 39 institutions, the table shows small net surpluses for each of the three years. However, several institutions reported deficits in one or more of the years; in total, the amounts were $369,000 in 1960-61, $593,000 in 1965-66, and $725,000 in 1966-67.

Clearly the margin of surplus between current revenue and expenditures is narrowing. Individual and over-all surpluses reported for 1966-67 were smaller than those reported for 1965-66. The experience in 1967-68 among 32 of the 39 institutions reflects further decline. Whereas these 32 institutions had an over-all surplus of 2.7 per cent of revenue in 1966-67, they show only 1.1 per cent for 1967-68, and eight of them which had surpluses in the former year show deficits in the latter year. In all, 14 of the 32 institutions reported deficits totaling $1.5 million in 1967-68. **If this trend continues, deficits in the private sector will be the general rule in the relatively near future.** This inference is borne out by the results of the long-range planning project which the Commission undertook.

Table IX

CHANGES IN HEAD COUNT ENROLLMENTS AT THE PRIVATE INSTITUTIONS

(Survey Group)

	Change from			
Total Enrollments	1957-58 to 1960-61	1960-61 to 1965-66	1965-66 to 1966-67	1966-67 to 1967-68
Chicago and Northwestern	–546	6	1,206	574
Other universities	1,430	8,054	1,181	894
Colleges	3,994	7,625	2,400	968
Junior colleges	562	5,474	604	–19
Total	5,440	21,159	5,391	2,417

Enrollment Changes

Total enrollments at the private institutions increased 31 per cent over the past seven years. However, there has been a slowing in the rate of increase since 1965, and an actual decline in freshman enrollments has occurred. A decline of 2.25 per cent in total head count enrollment of freshmen (and 0.75 per cent in full-time equivalents) from fall 1966 to fall 1967 was recorded in the private institutions. The decline affected the universities, colleges, and junior colleges and was especially severe in at least 12 institutions. Fall 1968 enrollments appear to reflect some continuation of this trend, although several of the institutions which reported declines in 1967 experienced increases in freshmen in 1968.

Table X

CHANGES IN FRESHMAN ENROLLMENTS AT ALL PRIVATE INSTITUTIONS

	Change from	
Freshman Enrollments	1965-66 to 1966-67	1966-67 to 1967-68
Chicago and Northwestern	140	129
Other universities	–409	–681
Colleges	66	–128
Junior colleges	743	–113
Total	540	–793

The fact that enrollments at the private institutions seem to be approaching a plateau is not necessarily a dangerous sign of decline in the private sector. Some institutions deliberately plan for stability in enrollment and do not wish to grow in size. Many of them, of course, accept only a fraction of those who apply.

Faculty Salaries

The faculty is without question the most significant factor in the work of an institution. Thus, faculty salaries are of critical importance to both faculty quality and educational quality. For the private institutions to be able to compete for faculty members of the caliber necessary, it is imperative that immediate steps be taken to remedy salary deficiencies.

While there has been some improvement in faculty salaries over the past seven years, the level remains low, particularly at the senior rank. In 1966-67, only five of 26 institutions which provided salary data reported an AAUP Grade* of average compensation above the "C" level, and ten reported grades of "D" or below. Table XI summarizes the salary situation. **The Commission estimated that it would have cost something over $2 million for these 26 institutions to reach the AAUP "B" level in faculty salaries in that one year.**

Table XI

FACULTY SALARIES AT THE PRIVATE INSTITUTIONS 1966-67

(Survey Group)

AAUP grades of average compensation	*Number of Institutions*
A	4
B	1
C	11
D	7
E	2
F	1
Not reported	13
Average base salaries for professors	
$15,000 and over	5
13,000 to 14,999	2
11,000 to 12,999	11
9,000 to 10,999	10
Less than 9,000	7
Average base salaries for associate professors	
$13,000 and over	2
11,000 to 12,999	5
9,000 to 10,999	14
7,000 to 8,999	13

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*Among other organizations, the American Association of University Professors has developed grading scales which represent the Association's own standards for attainment. These scales are used to rank institutions on the average and minimum levels of faculty compensation (defined to include both base salaries and benefits) at each faculty rank. The scales are adjusted annually to reflect progressive increases in salaries from year to year, thus providing an incentive for continuing improvement in compensation. All institutions of higher education in the nation are invited to make annual reports to the Association; almost half of them participated in the 1967-68 survey.

Institutional Debt

Many of the institutions have incurred relatively heavy long-term indebtedness, amounting in some cases to as much as 44 per cent of an institution's total assets. Most of the debt has been incurred for residences and student union facilities which are presumably self-amortizing. The major portion of the capital funds was borrowed from the Federal government.

Table XII

TOTAL DEBT AT THE PRIVATE INSTITUTIONS

(Survey Group)

	1960-61	1965-66	1966-67
Total long-term debt	$50,229,507	$104,603,130	$116,340,031
Total short-term debt	4,512,426	6,405,074	9,363,110
Total debt	$54,741,933	$111,008,204	$125,703,141
Debt at 14* of the 39 institutions as of 1966-67:			
Total debt outstanding		$35,348,704	
Funds borrowed for			
Academic facilities		7,492,146	
Residences and unions		23,390,904	
Other facilities		4,465,654	
Funds borrowed from			
H.H.F.A.		14,370,000	
Other Federal agencies		8,234,000	
Private firms		9,266,687	
Institutional funds		3,458,017	
Debt service during 1966-67			
Amortization		1,005,607	
Interest		984,466	

*Debt at these institutions ranged from 12 per cent to 44 per cent of total assets in 1966-67.

Tuition and Fees

Average tuition and fees at all private institutions (weighted averages based on full-time undergraduate enrollments) roughly doubled over the 11-year period from 1958-59 through 1968-69. The increase at the universities was 105 per cent (from $768 to $1,575); at the colleges it was 112 per cent (from $650 to $1,378);

and at the junior colleges it was 86 per cent (from $598 to $1,114). These increases have generally kept pace with the increases in the nation's personal income. Nevertheless, the discrepancy between tuition increases and increases in cost of current operations continues to grow. There is serious question whether these rates of tuition increase can be maintained indefinitely.

Table XIII

AVERAGE WEIGHTED TUITION AND FEE CHARGES AT 43 PRIVATE INSTITUTIONS

Year	Universities	Colleges	Junior Colleges	All Institutions
1958-59	$ 768	$ 650	$ 598	$ 716
1960-61	833	697	640	770
1965-66	1,298	1,071	920	1,181
1966-67	1,365	1,154	973	1,254
1967-68	1,465	1,254	1,053	1,356
1968-69	1,575	1,378	1,114	1,472
Per cent increase from 1958-59 to 1968-69	105	112	86	105

THE ACADEMIC STATUS OF THE PRIVATE INSTITUTIONS

There is a strong need to improve the quality of educational opportunities among the private institutions in Illinois.

Quality in higher education is not easy to evaluate. As yet no one has been able to define satisfactorily, much less quantify, the elusive characteristics which determine the strengths or weaknesses of a college or university. Regional accrediting associations, whose function it is to establish and maintain desirable standards, have been unable to agree on criteria of quality. The differences among the standards of the various regional agencies as well as the ranges of quality acceptable to a particular agency attest to this fact.

It is proper that institutions should be judged not by uniform standards but by their fulfillment of legitimate and appropriate educational objectives. Few attempts have been made to rank entire institutions, particularly undergraduate colleges, in order of academic excellence. Yet it is clear that wide differences do exist. While there are many obvious limitations in making objective appraisals, the Commission sensed a need to grapple with, rather than avoid, the problem of differences in institutional academic status.

No highly valid means of measuring institutional quality or excellence have been devised. However, there are some widely used indices of institutional quality such as the faculty-student ratio, the percentage of faculty with earned doctorates, number of books in the library per student, and academic ability of the student body.* In examining the private sector of higher education in Illinois, the Commission noted some significant differences in factors frequently held to be indicative of quality.

A number of the institutions are not members of the regional accrediting association; although all nine of the universities are members of the North Central Association, only 30 of the 38 colleges are members. Only four of the 13 junior colleges are similarly accredited. All but one of the specialized institutions are members of their respective professional associations.

Wide variations exist among the institutions when they are ranked on some of the factors relating to students, faculty, and libraries, which are ordinarily used as indices of academic status. One frequently used measure of academic excellence is the scholastic aptitude of the student body. For example, in 1967, the average scores for the freshman verbal Scholastic Aptitude Test ranged from a high of 672 at one four-year college to a low of 446 at another. At one of the junior colleges the average was 394.

The number of freshman state scholarship winners, as a percentage of full-time equivalent freshman enrollment for 1968-69, ranged from a high of 55 per cent to a low of less than 1 per cent. In 1964, the number of National Merit Scholarship Qualifying Test participants with high ability scores who initially indicated a particular Illinois college as their first choice, divided by the actual number of freshmen that fall, ranged from a high of 88 per cent to a low of 4 per cent.

The per cent of full-time faculty with doctorates in 1967 ranged from 83** to eight. Seven of 47 institutions for which data were available reported that more than half of their faculty members held doctorates while 20 had fewer than 30 per cent. Only five of 35 institutions reported average salaries for professors of over $15,000

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*See, for example, Alexander W. Astin, "Undergraduate Achievement and Institutional 'Excellence,'" *Science*. Vol. 161, 16 Aug. 1968, pp. 661-668.

**The rank of Instructor is used infrequently at this institution.

in 1967-68, while 13 colleges and universities reported average salaries between $8,080 and $10,900.

Fourteen of 38 institutions reported faculty-student ratios of 1 : 13 or lower, and 12 of them reported ratios of 1 : 17 or higher. Similar ranges were observed with respect to library volumes per full-time equivalent student and total library expenditures per full-time equivalent student. Fifteen of 39 institutions reported total expenditures per full-time equivalent student of $100 or more in 1967-68 and 16 reported expenditures of less than $80.

Thirty-three institutions were ranked on several of these factors. The rankings of 12 of the 33 are shown in Table XIV to illustrate the variations. (Reference should be made to Appendix D for further discussion.)

Table XIV

RANKING OF PRIVATE INSTITUTIONS* ON SELECTED FACTORS ORDINARILY USED AS INDICATIVE OF ACADEMIC STATUS

Institution	Per Cent of Faculty with Doctorates 1966-67	Average Salaries of Professors 1966-67	Faculty-Student Ratio 1966-67	Library Expenditures per FTE Student 1966-67	Average SAT Verbal Scores 1966-67	Per Cent of Freshmen Receiving State Scholarships 1967-68
A	1	1	1	1	1	9
C	3	5	2	9	9	2
E	5	2	6.5	3	3	6
H	8	20	13	4	19	3
K	11	11	24	31.5	24	12
O	15	10	27	28	22	14
R	18	27	4	9	6	11
S	19	13	17	31.5	15.5	20
X	24	24	28	18	18	23
AA	27	27	29	24.5		17.5
CC	29	30	32	29.5		29.5
FF	32	31	19	22		16

*Private universities and colleges.

On almost any of the usual indices, there are great, and occasionally extreme, variations among Illinois private colleges and universities. A few institutions are obviously of high caliber, probably five or six in number; this is particularly apparent when they are compared with all other private institutions in the State. The other end of the scale is not as distinct, although a few institutions seem to be at the low end of every index. The majority show higher ranks on some scales and lower ranks on others.

The Commission has concluded from its analysis that, while some of the institutions are now at a minimum acceptable level of quality, many of the institutions show low levels indeed on a variety of important objective measures. It also finds noticeable unevenness within individual institutions. It concludes, therefore, that there is substantial need to upgrade the educational opportunities available to students.

PHYSICAL PLANT SURVEY

Most of the private institutions reported little or no deferred maintenance in their non-residential facilities. An intensive field survey revealed, however, that a surprisingly large amount of both major and minor repair and remodeling would be necessary to bring the physical plants up to satisfactory levels for both originally-designed and new academic functions.

A management consulting firm was retained to conduct a field survey at four universities and seven colleges. (None of the junior colleges was included.) The report is more fully discussed in Appendix E, but the principal findings and conclusions are summarized as follows.

The 11 institutions had earlier reported only minor or no deferred maintenance. To test these reports, the consultant made building-by-building appraisals, predicated upon an assumed standard of physical condition which was relatively modest given the use and age of the facilities. Substantial amounts of needed repair and remodeling were found, the costs of which, it was estimated, would be in excess of $6.7 million. The repair work required to restore the facilities to adequate condition for their originally-intended functions totaled $1.2 million. The cost of remodeling to bring buildings to adequate condition for present-day levels of original use (modernization) or for different present-day uses (conversion) totaled $5.5 million. The repair and modernization costs together represented approximately two-thirds of all the deferred maintenance.

Without more complete information about the academic facilities at all the colleges and universities in the State, it is not possible to indicate the extent to which the physical plants of the 11 institutions are representative of all campuses. Thus, a simple extrapolation from the magnitudes of deferred maintenance at the 11 to obtain a total for all private institutions may not be entirely appropriate. The general range of such a total, however, may be inferred from the following: The total non-residential space at the 11 institutions is 3.2 million square feet. If it is assumed that the non-residential space at all of the private institutions approximates 12 to 13 million square feet (a figure not unreasonable in light of the data reported in the Board of Higher Education's 1967 *State-Wide Space Survey*), it is possible to conclude that deferred maintenance at all the institutions may be in the range of $25 to $30 million.

The severity of the problem is further indicated by the ratio of deferred maintenance to the estimated current replacement costs of academic facilities at each institution; the range was from 61.2 per cent at one to 0.3 per cent at another. The median of these ratios is 7.2 per cent.

The physical plants were found to be in good condition, on the average, at about half the 11 institutions studied, but were considered to be in only fair condition at the others. Taking into account such factors as amount of deferred maintenance, anticipated maintenance budgets, present plant management organization and practices, and extent of planned new construction, the consultant concluded that the general condition of plant at six of the institutions would improve somewhat over the next two to five years. At three others it could be expected to decline. The condition of two would remain unchanged.

The consultant judged that levels of custodial care and day-to-day maintenance were reasonably satisfactory; the extent of satisfaction with these day-to-day services, as expressed by administrative officers and faculty members, was reported to be good or better at six institutions and fair or poor at five.

The field survey included a general evaluation of the effectiveness of management of the maintenance function. The appraisal was based on a simple check on the existence of some 12 modern techniques of maintenance management at each institution. Among these techniques were regular use of repair requisitions, periodic appraisal of repair work backlog, use of a preventive maintenance routine, use of an annual repair audit, regular assignment and scheduling of custodial duties, availability of useful cost control information, and systematic formulation of budget requests. Judging only on the existence of these practices, and not on their effectiveness in use, the consultant rated only one institution as "excellent;" three were rated "good;" one received a "fair" rating, and six a "poor" rating. Among the factors contributing to inefficient management, and in turn to the problem of deferred maintenance, were:

1. lack of a long-range maintenance plan properly coordinated in all aspects;
2. lack of an effective cost and management information system to insure efficient utilization of available funds;
3. inadequate plant management practices to assure a full measure of performance for the funds expended;
4. insufficient action to upgrade the quality of administrative direction and control of physical plant;
5. insufficient supervision of architectural design and contractors' performance on new construction to keep subsequent maintenance and operating costs under control.

The consultant concluded that deferred maintenance is at a minimum or is non-existent where the business management staff demonstrates familiarity with the needs of the future, uses budgeted funds properly, and has appropriate technical staff assistance available. Future maintenance problems can be expected, however, at those institutions which do not act to remedy the weaknesses which contribute to deferred maintenance.

The results of the plant survey accent the point previously made: the present financial situation of the private institutions would be worse if physical plants had been properly maintained.

INSTITUTIONAL MANAGEMENT AND ADMINISTRATION

In addition to the need for better management practices in administering the physical plant, many of the institutions need to improve and modernize their general administrative management if they are to use their resources most productively. A number of them show substantial weakness in organizational structure as well as in financial, accounting, and business operations. While this deficiency is not limited to the smaller institutions, many of the latter are so small that they are inevitably under-staffed for administration.

To illustrate, the majority of the institutions need to move promptly to strengthen their academic administration, to develop useful management information systems, to provide necessary staff skills, and to develop sharper lines of authority and responsibility between and among boards of trustees, academic administrators, and service managers. Expert consultants will be useful in effecting some of these improvements; staff training programs will be useful in others.

These observations are undoubtedly typical of those which could be made about many colleges and universities throughout the United States. The Commission does not intend to single out Illinois institutions as being different from those in other states. The fact remains, however, that accounting procedures, information systems, portfolio management, planning, institutional research, and many other administrative functions can be improved. The Commission's recommendations take cognizance of this need.

FUTURE PLANNING

Participating Institutions

A sample of the private institutions was invited by the Commission to participate in a comprehensive long-range planning project looking to 1972-73 and 1977-78. The project was designed to analyze the financial pressures which the institutions might anticipate over the next several years, and to determine whether the resources traditionally available to private institutions would support their future operations.

The participants were asked to examine carefully their objectives, affiliations, programs, clientele, staffing and other loading parameters, and tuition charges; to project their enrollments; to anticipate their requirements for additional physical facilities and library acquisitions; to estimate numbers of faculty and supporting staff by functions; and to translate all of these into a series of three financial projections: current funds, capital funds, and endowment. To achieve general consistency in the projections, a series of common forecasts about salary increases and cost increases for other budget items was provided. The institutions were asked to assume a level of operations which each deemed reasonable for itself.

Three universities, nine colleges, and three junior colleges took part in this project.* These institutions represented approximately 28 per cent of the total full-time equivalent enrollment in the 60 universities, colleges, and junior colleges in Illinois. Their individual projections reflected wide diversity and individuality in planning for the future.

None of the institutions anticipates any major changes in institutional type, control, or clientele. Some small increases in qualifications for admission are indicated, but relatively little change in proportions of students coming from outside of Illinois is planned. Some of the institutions report plans for new programs, particularly at the master's level, and some indicate that a few programs or fields of study will probably be deleted. The principal emphasis, however, is on strengthening programs rather than on expansion. The institutions reflect their hopes and aspirations for the future in a constructive way in the plans which they submitted to the Commission.

The Plans Summarized

When the 15 institutions are considered as a group, a number of interesting results emerge:

Enrollments. With but one exception, the institutions project increases in enrollments. The total projected increase from 1967-68 to 1972-73 is 18 per cent; from 1967-68 to 1977-78 it is 38 per cent. These represent compound annual rates of approximately 3.4 per cent and 3.3 per cent respectively. The range of projected increases over the ten years is from 24 per cent to 90 per cent, the smaller institutions tending to plan the higher rates of growth. This over-all increase is slightly less than that noted for all private institutions over the past seven years. It is much larger, however, than the corresponding increases over the past three years, during which time enrollments in the private institutions appear to have approached a plateau.

Tuition Charges. The weighted average tuition and fee increase planned by the institutions for 1967-68 to 1972-73 is from $1,275 to $1,801, or 41.5 per cent; and from $1,275 to $2,225, or 74.5 per cent, over the ten-year span. The latter represents a compound annual rate of 5.7 per cent. It is somewhat less than the rate of increase observed over the past 11 years in all private institutions. The range of projected increase is from 22 per cent at one institution to 125 per cent at another.

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*Northwestern University and The University of Chicago were not among the participants in the planning project.

Full-Time Faculty. The institutions report plans to increase the number of full-time faculty members 18 per cent by 1972-73 and 34 per cent by 1977-78. In contrasting this with the change in enrollment, it is apparent that some small increase in faculty-student ratios will result. Three of the institutions plan to reduce their ratios, three plan to maintain their present ratios, and the other nine plan some increase. One institution, which expects to simplify its undergraduate curriculum, projects a change in its faculty-student ratio from 1 : 13 to 1 : 18. Both faculty and trustees have given approval to these changes.

Faculty Salaries. On the average, the institutions project increases of approximately 39 per cent in the salaries of their professors and associate professors by 1972-73. Over the ten-year period, they project increases of 85 per cent in the salaries of professors and 79 per cent in the salaries of associate professors. For the professors, the compound annual rate is 6.3 per cent; for associate professors, it is 6 per cent. These increases reflect costs of reducing deficiencies at the senior ranks and of keeping pace with anticipated national salary movements. General increases in fringe benefits are also projected. These improvements would appear to place the institutions in a somewhat more favorable position with respect to faculty compensation than is the present case.

Library Development. The 15 institutions plan to double the number of volumes in their libraries, and to increase the number of current periodicals by about 50 per cent over the ten years. For the first five years, the increases are slightly less than one-half of these rates. The individual rates of increase anticipated for both books and periodicals vary more than any of the other components of their projections.

Student Assistance. With but two exceptions, the institutions project large increases in the funds required for student assistance by both 1972-73 and 1977-78. These increases are roughly in phase with the increase in total revenue which was anticipated. Thus most of the institutions plan to maintain approximately the present relationship between student assistance and student charges. Three institutions indicate, however, a prospective need for assistance well above the present proportions. In one of these cases, the institution plans more than a doubling of tuition and fees and concludes that this increase will require much more than a doubling of its student assistance funds. Financial assistance for students obviously is a major concern to the institutions in making long-range plans.

Maintenance of Physical Plants. Projected increases in expenditures for maintenance and operation of physical plants are 78 per cent by 1972-73, and 143 per cent by 1977-78. These increases are only fractionally greater than the projected increase in all educational and general expenditures. Without a precise measure of the projected relative increase in the physical facilities of the institutions, it is not possible to determine whether the outlays for plant maintenance and operation will result in improvement in the condition of plant. The fact that the projected proportion of these expenditures to total expenditures remains relatively unchanged, however, does seem to suggest that there is not likely to be substantial improvement in plant maintenance.

Capital Outlays. Over the ten-year period, the 15 institutions project total capital outlays of over $136 million, of which some $70 million are for academic facilities and $66 million for nonacademic facilities. Much of the latter total is, of course, for new residence halls and student union buildings. Just over half of these outlays are planned during the first five years.

Current Gifts and Endowment. Several of the institutions project large increases in the amount of current gifts for the support of their educational and general budgets. Five of them, for example, anticipate a doubling or tripling in the amount of current gifts. The others, however, report much smaller increases in private gifts. Planned increases in endowment income are quite small.

Projected Financial Plans

The institutions translated their projected changes into a series of financial plans for both 1972-73 and 1977-78. Their plans indicate an increasing dependence on tuition revenues, since the rates of projected increase in endowment, gift, and other income are on the whole less than the rates of increase in total expenditures. Instruction and departmental research expenditures maintain roughly the same ratio to total expenditures as at present; library expenditures tend to rise relatively; other major expenditure categories show small relative variations.

The range of planned increase in educational and general expenditures per full-time equivalent student is from 18 per cent at one of the colleges to over 100 per cent at one of the universities. The average projected increase to 1972-73 is 45 per cent, which is 7.7 per cent at a compound annual rate, while the increase to 1977-78 is 73 per cent, which is 5.6 per cent compounded.

If the institutional projections are accepted at face value, and if total revenue is adjusted by holding gifts for current operations at the 1967-68 level (i.e., allowing for no increase in gift income), sizable deficiencies in revenue are shown. These deficiencies total almost $5 million in 1972-73 and $8 million in 1977-78. The following tabulation summarizes the calculations:

		1972-73	1977-78
Revenue:	Tuition income Endowment income Gift income at 1967-68 levels Other normal income Auxiliary enterprise income	$84,069,000	$117,462,000
Expenditures:	Educational and general Auxiliary enterprise Shortfall in student assistance	88,819,000	125,399,000
Deficiency		$ 4,750,000	$ 7,973,000

These deficiencies, roughly 6 and 7 per cent of income respectively, must be made up from other sources of income if the institutions are not to fall behind still further in their academic status. Additional private gifts for the support of current operations, particularly from business and industrial firms, will necessarily be one important source. Institutions will have to make more vigorous individual and collective efforts to reach private philanthropy more effectively. And business, industrial, and other organizations in the State must be prepared to assist the colleges and universities much more substantially than they have done in the past. Yet the experience in recent years, both nationally and in Illinois, suggests that this will not be as productive a source as might be anticipated. The remaining large deficiency clearly suggests that new sources of financial support, including support from public funds, must be marshalled.

The importance of this point is emphasized when it is recalled that the 15 institutions represent 28 per cent of the enrollments in, and less than one-fifth of the current operating budgets of, all private universities, colleges, and junior colleges in the State. If the State of Illinois were to accept responsibility for, say, two-thirds of the deficiency, and the institutions were to assume responsibility for the other third, the amount of State assistance would have to be roughly $17 to $18 million in 1972-73 and $28 to $30 million in 1977-78.

Deficits and Enrollment Size

Using the financial data provided by the institutions and making appropriate adjustments in both tuition revenue and total expenditures, the Commission has found that if the institutions hold their enrollments constant over the ten-year period, their deficits will be smaller.

With these adjustments, certain sets of assumptions must be made. Two approaches have been taken. In the first (Assumptions A), educational and general revenue for 1977-78 is reduced by the planned tuition charge times the difference in enrollment. Educational and general expenditures are set equal to the projected 1977-78 expenditure per full-time equivalent student times the 1967-68 enrollment. Auxiliary enterprise revenue and expenditure are reduced in proportion to the difference in enrollment. Other revenue is assumed to be unchanged.

In the second approach (Assumptions B), educational and general revenue has been adjusted where appropriate by using a net rather than a gross tuition figure. Educational and general expenditures reflect an adjusted cost of 105 per cent of the 1977-78 planned cost per full-time equivalent student to take account of possible difference in efficiency of operations at the lower enrollment. The other assumptions are the same as indicated above.

The following are the results of applying these adjustments to six of the 15 institutions which were selected at random:

Institution	Projected 1977-78 Surplus or Deficit in Educational and General and Auxiliary Enterprise Accounts*	Projected Surplus or Deficit with no increase in enrollment	
		Assumptions (A)	Assumptions (B)
1	$ (71)	$ 246	$ (31)
2	(612)	(280)	(532)
3	471	507	424
4	(1,375)	(1,169)	(1,073)
5	(160)	56	(86)
6	0	105	(9)

*Excludes shortfall in student assistance.

The institutions' own projections are generally based on the assumption of substantial increases in enrollment over the next five to ten years. Although the institutions projected sizable rates of tuition increase, averaging over 70 per cent, **it is still apparent that educational and general expenditures will outrun tuition revenue by a large amount.** Despite projected increases in other income sources, including endowment income, a deficit in the range of 7 per cent emerges.* **If enrollments for 1977-78 were to be held constant at the 1967-68 levels, or in some instances increased by relatively small proportions to achieve more efficient operation, the projected deficits would be reduced.**

If the private institutions do not in fact increase their enrollments, a larger share of responsibility for meeting future enrollments must fall upon the public institutions. This circumstance frequently leads to debate about which sector might be expanded at lower relative cost to the State. The argument is often heard, for example, that enrollments can be increased substantially at private institutions if financed by public subsidies for facilities and operating budgets, and that such subsidies would be smaller than the costs of expanding public institutions or developing new ones.

The Commission observes that it is not easy to develop unit cost information which will permit precise comparisons among different types of institutions. The data which the Commission obtained from the private institutions are reasonably adequate for comparative purposes, but only limited cost information about the public institutions is available. It is sufficient, however, to suggest that the public sector's costs are no higher than, and may be somewhat below, the costs in the private sector. Many public institutions, of course, perform functions and offer many specialized and professional programs not undertaken by the liberal arts colleges. Cost comparisons must obviously take cognizance of these differences and must be based on careful definitions of cost components to insure validity of comparison.

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*The estimated deficiency of revenue for 1977-78 tends to be confirmed by the independent appraisals and estimates which the Commission's staff prepared.

THE STATE'S ECONOMIC AND TAX BASE

Illinois is one of the wealthiest states in the nation. Its economy is strong and prosperous, and its rate of economic growth is substantial. In a number of respects, rates of change in economic variables in Illinois have been slightly less than comparable rates in the United States as a whole. Nonetheless, the State has maintained its high relative economic rank among all the states.

The following tabulation presents some of the relevant facts* about Illinois:

	Total	Rank among the 50 States
Population (1968)	10,922,300	5
Personal income (1967)	$40,575,000,000	3
Per capita personal income (1967)	$3,725	4
Unemployment rate (1967)	3.1†	
State tax revenue (1966) per cent of personal income	3.91	40
State tax revenue per capita (1966)	$127.33	
State expenditures on all education (1967 and 1968)	$1,864,395,000	
State expenditures on higher education (1967 and 1968)	$ 762,610,000	

†U.S. average was 3.8 per cent in 1967.

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*Appendix G summarizes some evidence with respect to the State's economic and tax base.

Although agriculture accounts for only a small fraction of total employment in the State, the economic importance of Illinois farms is great. Illinois ranks first among the states in the production of corn and soy beans, and third in total cash receipts from crops and livestock. Investment in agriculture is over $15 billion, reported to be first in the nation.

In light of the foregoing, **the Commission concludes that the State of Illinois can afford the cost of direct financial assistance to the private institutions while adequately supporting its public institutions and its significant programs of assistance to students.**

CHAPTER III

Recommendations

BASIC PREMISES

Four basic premises underlie the series of recommendations which the Commission makes with respect to public support of private higher education in the State of Illinois.

> **First, it is essential to preserve and strengthen the dual system of privately-supported and publicly-supported institutions of higher education. The unity in the welfare of higher education, of which President Henry spoke*, requires strength in both sectors if both, in partnership, are to meet successfully the needs and problems which the future holds.**
>
> **Second, the private institutions must retain the maximum degree of independence in decision making. Their contributions in meeting needs and solving problems will be enhanced by their continuing flexibility.**
>
> **Third, the range of educational opportunities available to students must be preserved and extended along with the freedom of each student to choose the institution he wishes to attend. Diversity of institutional sponsorship, objectives, programs, environment, and size is a major element in insuring each student's freedom of choice.**
>
> **Fourth, the private institutions should realize that, in general, growth in size will not ease financial problems since tuition income covers substantially less than total operating costs. There-**

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*See p. 6.

fore, these institutions must be cautious about planning an increase in enrollment, except as it may produce a more efficient size educationally as well as economically. If the institutions do not grow in size, the result will be an obvious, continuing decline in the relative share of total enrollments in the private colleges and universities. This should not be a cause for concern, since it is more important to attain financial adequacy and educational vitality than to preserve a particular proportion of enrollment.

Financial Assistance

Based upon all the evidence before it, the Commission concludes that financial assistance to the private institutions from public funds is imperative.

The evidence clearly and persuasively indicates a declining surplus of operating revenues over expenditures, and the prospect of sizable deficits. In addition, the data show a serious problem of low faculty salaries. Financial pressures will increase as the institutions face rising salary and other costs. At the same time, the private institutions will be confronted with the difficulty, perhaps even the impossibility, of increasing tuition charges and other revenues rapidly enough to meet these increasing costs. The evidence indicates also the need to upgrade and improve the quality of educational programs and opportunities.

The deficits which are in prospect are large enough to threaten the solvency, the quality, the vitality—even the survival—of some institutions.

While the question of sheer survival is not momentarily acute for the majority of the private institutions, in the long run some of them may face serious deterioration or may be forced to close their doors. Even in the short run, many of the institutions will face serious problems of competition for faculty; constant increases in tuition to cover costs; and possible, even probable, further decline in quality.

In view of these facts, the Commission urges that the State of Illinois grant sufficient direct assistance to the private institutions to enable them, in conjunction with their own efforts, to upgrade their educational processes and assure their vitality. In this way, the private sector of higher education will be encouraged and strengthened to meet its share of the responsibilities in the totality of higher education in the State. President Henry's further observations are particularly relevant in this connection:

> We should not allow the accidents of history, insofar as structure of governance and of origin are concerned, to stand in the way of public support of the non-state institutions. Federal programs have made no distinction on this basis and it remains for the states to do likewise. I sincerely hope that the State of Illinois will, in the near future, find a way to bring public support to the independent institutions and to support all of the institutions in the system in a way that will be in the best interest of the State as a whole.

In recommending financial assistance, the Commission

—urges that the purpose of assistance from public funds should be directed toward the improvement of quality rather than the expansion of enrollment;

—believes that direct assistance will enable the private institutions to continue to meet the State's objectives which are so admirably expressed in the scholarship and grant programs;

—emphasizes that, for a modest investment, the citizens of Illinois can help insure the continuation and improvement of the range of educational opportunities available to both young people and adults;

—stresses that the magnitude of such assistance is well within the State's economic resources;

—concludes that such assistance can be given without endangering in any way the financial support and educational development of the public institutions of which the people of the State are justifiably proud.

THE RECOMMENDED PROGRAM

A. Direct Grants

The Commission recommends a program of annual direct grants from public funds to the private institutions in Illinois for the support of their current educational and general operations. These grants are designed to assist the State and the institutions to achieve the objectives which have just been outlined.

The Commission has considered many possible methods for determining the amount and allocation of these grants, and has concluded that the simplest, most equitable, and most appropriate system for this State will be an annual allocation to each eligible private institution of

> **$500 for each Illinois State Scholarship and Grant recipient enrolled, including recipients of honorary scholarships; plus**
>
> **$100 for all other full-time equivalent undergraduate students enrolled in the freshman and sophomore years; and**
>
> **$200 for all other full-time equivalent undergraduate students enrolled in the junior and senior years.**

For the first year, these grants will provide a total of approximately $14 million for the private universities, colleges, and junior colleges which are prospectively eligible to receive assistance. If all the institutions were eligible, the amount would be closer to $17 million. The latter figure represents 5 to 5.5 per cent of the current operating expenditures* of all the institutions except for the specialized professional schools.

The recommended grants will enable the institutions to begin to move in important ways to strengthen and improve their academic status and to lay the foundation for their subsequent development without incurring further deficits in the process. In particular, the grants will assist many of the institutions promptly to improve their faculty salary structure, strengthen their libraries, and reduce some of the backlog of deferred maintenance.

The total amount of assistance has been set at the 5 per cent level by giving due weight to the current financial situation of the institutions; the costs of initial steps to improve faculty salaries, lessen deferred maintenance, and improve libraries; and the prospective deficits which threaten to become general in the very near future. In the Commission's judgment, the total will be adequate to begin to do what is necessary now.

The particular form of individual grants was established also by striking a balance among the policy considerations which are discussed in the following paragraphs. The specific dollar amounts recommended are intended to implement these policy considerations and to achieve a reasonable distribution among the institutions.

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*Total current operating expenditures for 1968-69 are estimated to be in the range of $275 to $280 million.

Policy Considerations. The Commission believes that its proposed program of direct institutional grants is especially appropriate for Illinois. The Commission's studies have taken careful account of the pattern of higher education in the State: the presence of national institutions in the State; the relative enrollments in the private and public sectors; the contributions and strengths as well as the needs of the private institutions; their clienteles, programs, locations, and plans; as well as many other variables. It has observed that the circumstances of higher education differ among the states, and that a solution which may be best for one state may not be fully appropriate in another. Diversity among approaches to state aid to private institutions may well be as desirable as is the diversity among the states' patterns of higher education.

The Commission has also considered what ought to be the position of a leading state such as Illinois. It has concluded that the direct grants to private institutions should be based on total undergraduate enrollments, regardless of the geographic origin of the students. It has recommended that these grants should be related in part to the number of students who receive State scholarships and grants and in part to the number of *all other* full-time equivalent undergraduates who are enrolled.

It is the Commission's firm opinion that the State must face forthrightly the problems and opportunities in private higher education with the prompt *enactment* of the full program of direct grants here recommended.

The suggestion has been made to the Commission that it may appear to some to be necessary to approach the total program in steps. The Commission believes that the full program should be adopted. But if it should be considered necessary, the following pattern of *funding* could be followed in completing the entire program:

Step 1. The provision of assistance on the basis of each Illinois scholarship and grant recipient in attendance;

Step 2. The provision of assistance on the basis of all other Illinois residents currently enrolled;

Step 3. The provision of assistance on the basis of all enrolled students regardless of geographic origin.

In formulating these recommendations, major weight has been given to three principal considerations:

First, the Commission has been impressed favorably by the recent development of the Illinois Scholarship and Grant programs. These programs are intended to further the public objectives of encouraging and enabling qualified Illinois residents to pursue their higher education *and* assisting them to attend institutions of their own choice. The State has moved with great perception in enunciating this policy of providing opportunities for its students. It remains for the State to extend the policy by assisting the institutions which the students elect to attend in order to meet their educational needs and goals. Thus, the first element in the program of direct grants to private institutions reflects the principle that aid to the institution should accompany aid to the student.

Second, the Commission believes it essential to assist the institutions to provide educational opportunity for *all* students enrolled. For a variety of reasons, certain institutions enroll a smaller proportion of State Scholarship and Grant recipients than do others. It would not be equitable to allocate public funds among the institutions without taking this circumstance into account. Accordingly, the recommendation for direct grants provides for a grant-in-aid to the institutions for each full-time equivalent undergraduate student who does not receive a State scholarship or grant. Although the amount is smaller, the same positive results will flow from this part of the allocation as from the first.

Third, the number of students who leave Illinois to pursue their higher education in other states is far greater than the number of out-of-state students who attend Illinois institutions. In 1963, Illinois ranked second among all the states in the net number of students migrating to public institutions in other states, and fifth in the net number migrating to private institutions. It was third in total net migration. Over 57,000 Illinois residents attended higher institutions in other states while some 36,000 out-of-state residents enrolled in institutions in Illinois. The net migration was 20,796 students. No more recent data are available, but there is no reason to believe that there has been a reduction in net migration since 1963.

In light of this situation it becomes clear that Illinois will strengthen higher education only partially if it provides for its own residents only. In order that Illinois may fulfill all its obligations, the Commission has recommended that direct grants to the private institutions be based on all undergraduate students enrolled, whether they are residents of Illinois, other states, or foreign countries. The Commission deplores the growing parochialism among states and is particularly concerned that parochialism will weaken those institutions which are national in reputation and student attraction. These institutions lend quality to the entire educational system. They provide, in many ways, the model of excellence toward which other institutions, both public and private, may strive. Their distinction and viability must be assured.

Table XV

STUDENT MIGRATION TO AND FROM ILLINOIS

Fall, 1963

	Undergraduate	First Professional and Graduate	Total
Number of Illinois residents attending college anywhere	220,653	34,530	255,183
Number attending college in other states	49,009	8,016	57,025
Number of non-Illinois students attending college in Illinois	24,362	11,867	36,229
Number of students enrolled in Illinois institutions	196,006	38,381	234,387
Net migration	− 24,647	+ 3,851	− 20,796
To public institutions	− 14,299	− 183	− 14,482
To private institutions	− 10,348	+ 4,034	− 6,314

Source: *Residence and Migration of College Students, Fall 1963.* (Washington: U.S. Office of Education, 1965.)

Walls should not be built at geographic boundaries. Rather, the flow of students among the states should be opened and facilitated. The State of Illinois needs the perspective and experience of students from beyond Illinois, just as other states can gain clearly from the presence of Illinois students. The State can take a significant step toward opening the flow of students, thus establishing a precedent for other states to follow.

Advantages of Direct Grants. Direct grants to private institutions based on the dual formula (sizable payments for scholarship and grant recipients plus smaller amounts for all other students) present many other advantages. The program is straightforward and administratively simple. It is equitable in the way in which it allocates public funds among the institutions. Institutions that are national in outreach are assisted, as are others which tend more toward service within the State. In its tie to scholarship recipients, it places emphasis on quality. Thus it helps build a stronger case for increased private support to strengthen an institution's academic status. In addition, since the grants are based in part on total enrollment, institutions that wish to attract more cosmopolitan student bodies will not be dissuaded from doing so.

Finally, the program allows the institutions to decide their own policies, including admissions, with no implicit inducement to bend those policies to purely local considerations. And, of course, the institutions are certain of a satisfactory degree of autonomy with respect to the expenditure of the public funds which they would receive.

Future Growth of the Grant Program. As enrollments, numbers of scholarship and grant recipients, tuition revenues, and institutional financial needs change over ensuing years, the amount of annual assistance from public funds should undoubtedly grow. The Commission has estimated (in the section on future planning in Chapter II above) that the amount of additional operating funds required by the institutions will approximate $25 to $30 million in 1972-73 and $40 to $45 million in 1977-78. As the institutions increase their funds from other sources, the State may find it possible to accept responsibility for two-thirds rather than the full amount of these deficiencies. The direct grant program, then, would require annual public appropriations of some $17 to $18 million by 1972-73 and $28 to $30 million by 1977-78.

B. Building Authority for Academic Facilities

Substantial assistance to private institutions for the construction of both academic and non-academic facilities is now available through various Federal lending and grant programs. To supplement these programs, the Commission recommends that the State assist the private institutions in the construction of academic facilities on their respective campuses as a part of the program to strengthen the

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private sector of higher education and to enable the institutions further to improve their educational performance.

New developments and changes in American higher education impose on institutions the obligation to maintain academic facilities which are both modern and functional. Direct grants from public funds for current operations will challenge the private institutions to improve their educational performance. It follows that the State can also assist the institutions to meet this responsibility by helping them with academic facilities.

Since the Illinois Building Authority already exists as an effective State construction agency, it would seem logical to expand the functions of the Authority to embrace the financing of private academic facilities. The Illinois Building Authority presently constructs and leases facilities to State agencies, including the public universities. It proceeds on the basis of a declaration of intent and purpose by the General Assembly with annual appropriations to the agencies from general revenue funds to cover debt service and other costs. If the functions of the Authority were to be broadened as recommended, it would be necessary for the General Assembly to revise the legislation under which the Authority now operates, or to pass new legislation.

The Commission suggests that the Illinois Building Authority might function in a manner similar to that of the Dormitory Authority of the State of New York. In this way, no review of the need for, or desirability of, an academic facility at a private institution would be made. A thorough review of the financial affairs of the applicant institution would be required, however, in order to provide assurance of its ability to meet the financial commitments. After such review, perhaps by an experienced professional financial consultant, and after approval of preliminary designs and working drawings and award of contract by the Authority, the Authority would issue long-term, tax-exempt bonds to finance the project. The Authority would own the facility and would lease it to the institution on a long-term basis. An appropriate schedule of fees, interest, and amortization payments, and reserves for amortization and repair would be established. The institution would guarantee its payments by pledging tuition revenues.

The Commission recommends one basic difference from the procedures in New York. In order to keep an institution's obligation to a level which would not place too great a strain on its future tuition revenues, the institution should provide at least one-third of the total initial cost of a proposed facility from its own, independent funds. Matching loan funds obtained from the Federal government would not be considered part of the institution's share, although Federal grants would.

The Commission anticipates that many of the private institutions will wish to avail themselves of the services of the Building Authority. It urges the institutions, however, to use the opportunity judiciously, since the pledge of tuition income is a substantial long-term commitment and might represent a severe drain on the academic program. Careful evaluation of institutional finances by boards of trustees and administrative officers will be essential.

No financial commitment by the State is envisioned in this proposal. The bonds of the Building Authority would not be guaranteed by the State and, since they would be sold at market rates of interest, no State subvention for interest payments would be necessary. In the early stages of this program, however, the General Assembly may find it necessary to support the initial additional administrative costs of the Authority.

C. Fund for Contracts for Services

The Commission recommends that the State establish a fund for contracts with private institutions, individually or in consortium, for special services, such as providing programs for disadvantaged youth, including counseling and tutoring, or for the performance of other tasks to meet State needs economically and efficiently. Adult and continuing education programs, and the establishment of quasi-university organizations for research and action in urban problems are illustrative of such tasks.

The State has a major responsibility for assuring educational opportunity for disadvantaged youth. The climate of the time calls for this. Forthright action may avert serious problems. Undoubtedly the public institutions will assume a large role in meeting this responsibility, but educational resources at every level and of every kind must be mobilized. The private institutions, particularly those located in or near urban areas, can also play a significant role.

In view of the diversity of these institutions with respect to sponsorship, environment, and size, they are in a position to work closely with their communities in meeting local as well as State needs. Some of the programs which might be developed could be operated effectively in conjunction with a public institution. All such programs would be developed, of course, within the framework of over-all collaboration in statewide planning.

Ordinarily, contracts for services would be negotiated on the basis of institutional application and should be awarded after appraisal and approval by the appropriate State agency to be designated in a later section of this report. A fund of $1 million for the first year is recommended. As this program develops, the General Assembly will undoubtedly find it desirable to expand it rapidly.

D. Fund for Programs of Interinstitutional Cooperation

The Commission recommends that the State establish a fund to assist in the development of programs of interinstitutional cooperation among groups of private institutions and among clusters of public and private institutions.

Cooperative programs could include, but should not be limited to, academic programs, business procedures, library coordination, and the use of specialized facilities such as computer installations, audio-visual services, and educational television facilities. In addition, they could include significant cooperative research, training, and action programs in urban and social problems in which the resources of several institutions could be marshalled and focused effectively.

The advantages of interinstitutional cooperation in improving and enriching programs and achieving more efficient utilization of available resources are well recognized. One of the impediments to the development of cooperative programs has been the shortage of faculty and administrative time and funds to enable institutions to plan and establish cooperative ventures. The Commission concludes that relatively modest sums can be used effectively to help overcome this obstacle. It recommends that a sum of $400,000 for the first year be provided, out of which grants would be made on the basis of applications and proposals submitted by groups of institutions. It further recommends that such grants not be denied for consortia which cross the State's boundaries.

In Summary

The total cost of these four programs of assistance will be approximately $15 to $16 million for the first year. This outlay of public funds is modest compared with the benefits derived. It is also well within the financial ability of the State. Illinois is strong and prosperous; it is one of the wealthiest states in the nation.* And what Illinois attempts to do and the way the State does it can serve to stimulate or encourage other states considering ways of aiding their private institutions. This, then, is a responsibility as well as a challenge.

E. State Scholarship and Grant Program

The Illinois Scholarship and Grant Program is a highly commendable development in Illinois higher education. Its administration by the Illinois State Scholarship Commission has been particularly effective. At present levels of funding, the program assists over 31,000 students.

The scholarships and grants are intended to, and in fact do, assist students rather than institutions. To a limited extent they have aided the private institutions indirectly by enabling them to utilize their own assistance funds more effectively in helping more students. The scholarships and grants may have enabled an institution also to allocate to other institutional purposes some internal funds which might otherwise have been required for student support. These benefits on the whole have been small. The scholarships and grants have not provided the amount of institutional assistance necessary to bridge the gap between tuition revenues and costs. The program has effectively assisted students, however, and has had a decidedly beneficial impact upon college attendance and college selection.

Expansion of Program. The Commission urges further expansion of the scholarship and grant program to provide still greater opportunities for Illinois students to continue their education at institutions of their own choice. The Commission deems it desirable that the State continue to recognize academic merit by maintaining the scholarship phase of the program at a level which will provide assistance to approximately 10 per cent of the State's high school graduates. It also considers it highly important that the number of students assisted through grants be increased substantially over the ensuing years. In order to extend still further the opportunity for higher education to students from low and middle income families, the Commission recommends that the maximum level of individual awards in both programs be increased while maintaining the principle that the student should be expected to pay a reasonable portion of the total costs of his education.

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*See the commentary on the State's economic and tax base at p. 42 above

As a corollary to this recommendation, the Commission recognizes the desirability and feasibility of an interstate compact through which Illinois residents would be permitted to use scholarship and grant funds at institutions in other states which, in turn, would permit their students to use equivalent scholarship and grant funds at Illinois institutions. Such a step might well lead to other desirable reciprocal arrangements between Illinois and other states. This recommendation is in harmony with the Commission's view that it is desirable not to build walls at geographic boundaries but rather to open the flow of students between and among the states.

F. Management Advisory Service

The Commission has observed many instances in which private institutions need to improve their management and administration. Several of these have already been mentioned: academic development, general financial and accounting procedures, portfolio management, management of physical plant and maintenance, and planning. The list could be enlarged to include such areas as more effective utilization of classroom and laboratory space, appropriate and full allocation of general administrative overheads to auxiliary enterprises, and improved purchasing procedures.

To assist the private institutions in developing systematic long-range planning, institutional research, and information systems, as well as more effective budgetary procedures, management of business functions, utilization of physical plant, and administration of academic programs, the Commission recommends that a management advisory service be established within the State. A principal consultant, knowledgeable in institutional administration and planning, should be appointed for this purpose, and an appropriate technical and specialized staff should be made available to him. From time to time, outside consultants for particular assignments should be retained. For example, a professional consultant in plant operation could assist in identifying deferred maintenance and improving plant management. The staff of the management advisory service should be available to and utilized by the public institutions as well.

An allocation of $200,000 to initiate this service in the first year is recommended.

G. Coordination and Cooperation

The Commission urges an extension of the already existing collaboration between public and private sectors in statewide planning for the future. The Board of Higher Education has laid an excellent foundation for participation by private institutions in master planning—a practice which is not often found in other states. It is to be commended for its farsighted policies. Clearly this foundation can serve as the beginning of the development of new channels and mechanisms for collaboration in order to achieve a kind of partnership in significant planning for Illinois and providing a pattern for other states to follow.

Participation by the private institutions should be voluntary and should be based on realistic planning and commitments on their part. Examples of coordinated planning are to be found not only in evaluation of the State's needs and priorities, preparation of enrollment and program projections, and studies of student assistance programs, but also in reaching agreement for allocating and assuming emerging responsibilities.

Similarly, the Commission urges extension of the many programs of interinstitutional cooperation in which the institutions are already engaged. It recognizes clearly the difficulties which such programs often encounter, arising from inertia, preoccupation, desire for autonomy and individual identity, shortages of time and money. Yet it feels that there is potential for strengthening and enriching programs, for improving services, and perhaps even for economizing resources in joint ventures. Relevant illustrations are the significant cooperation in sharing library resources, in regional association, in research activities, and in joint masters and doctoral programs in which many Illinois institutions, both private and public, are already engaged.

The Commission also notes the number of new cooperative activities between Knox College and Monmouth College in sharing academic specialties and exchanging students and faculty; between Lewis College and the College of St. Francis which are this year merging their faculties and student bodies; between the College of Jewish Studies and Roosevelt University, the Chicago Theological Seminary, and DePaul University, in Judaic and Hebraic studies; in the Council of West Suburban Colleges; and in the Quad Cities program for graduate programs involving Illinois and Iowa institutions. To enlarge upon these beginnings and to expand cooperative activities among the private institutions *and* among public and private institutions could be highly significant for the future of higher education in the State.

H. Other Recommendations

1. *Graduate and Professional Education.* The Commission endorses the Board of Higher Education's proposals for public assistance to private institutions in health education. It suggests that there may be need for the development of education and research in other specialized and professional fields, and it urges that the Board consider extending to them its present plan for medical and dental education. It recommends, therefore, that the Board continue to study the State's needs for educated manpower in relation to supply in other specialized and professional fields, and to explore the extension of the health education plan as the needs may require.

2. *Private Support of Private Institutions.* The evidence before the Commission indicates that the record of private support of private institutions, particularly from alumni, business, and industry, is very uneven. In fact, two-thirds of the total gifts in 1966-67 for current operations to the 39 institutions studied were received by Northwestern University and The University of Chicago, and the total gifts reported by 26 of the 39 declined between 1966-67 and 1967-68.

The deficiency and inadequacy of private support to private higher education must be overcome as promptly as possible.

The Commission has concluded that assistance from public funds is essential to the maintenance of strong and viable private institutions. Yet the amount of this aid is modest and will by no means meet all the needs. The Commission believes that the entire responsibility should not rest with the State alone. It expects that the availability of public funds will have the effect of stimulating the institutions to seek, and their private benefactors to provide, amounts of private gifts which will equal or even exceed the total of State assistance. In a word, state assistance must not be viewed as a substitute for, or deterrent to, private philanthropy.

The institutions themselves must increase substantially their individual and cooperative efforts to stimulate private support from all sources. In some instances, this will entail reassessment of the role of the president and of a development office, and of the responsibilities of the board of trustees. It will also require more effective approaches to alumni and new ways of promoting the special strengths of the institution.

Similarly, private philanthropy must be willing to assume much of the responsibility for private giving to parallel the public aid. Alumni and other individual donors bear part of this responsibility but cannot be expected to do all that is necessary. Business and industrial firms must be willing to launch concerted efforts not only to sound a call for private funding of private institutions but also to increase many times over the levels of their own financial contributions. Organizations such as chambers of commerce can assist by encouraging contributions by member firms.

3. *Affiliation With Other Institutions.* The Commission urges that the free-standing professional schools might, at their option, consider affiliation with appropriate existing public or private institutions. These professional schools make substantial contributions to their respective fields—contributions which might well be enhanced by such affiliation.

4. *Impact of Federal Programs.* Many organizations and individuals have been studying the matter of additional Federal assistance to institutions of higher education and their students. The Carnegie Commission on Higher Education, for example, has recommended strengthening and augmenting already existing Federal programs to expand and strengthen areas of particular national concern such as medical education; extension of support for research, construction and special programs; substantial programs of scholarships, fellowships, grants, and loans to students; and supplementary grants to institutions based on number and levels of students holding Federal grants. Recommendations for greater Federal support have recently been made by the Association of American Universities and other groups.

It will undoubtedly require a number of years before recommendations of this type are fully implemented at the national level. If substantial increases in Federal support do come about, however, they may well have a marked impact on state programs of assistance for students and institutions. Accordingly, the Commission urges that careful evaluation be made of their impact on Illinois programs over the ensuing years. It sees no incompatibility between Federal and State programs of assistance. Indeed, it considers assistance at both levels as being mutually consistent and complementary, not to say imperative. For this reason, the Commission would be most reluctant to see assistance to private institutions by the State of Illinois delayed or deferred pending decisions at the national level.

REVIEW AFTER FIVE YEARS

Essential to these proposed programs of assistance to private institutions from public funds will be a thorough and critical review after five years. The Commission recommends that an outside board of evaluators be appointed and charged with responsibility for studying what has been accomplished in improving and upgrading the institutions as a consequence of the investment of public funds, and for recommending appropriate adjustments in the program of State assistance.

The Commission urges that State funds used only or in large part to expand enrollments or to proliferate programs be deemed not to have been expended judiciously. It recommends further that a set of criteria be devised for appraising the purposes to which the State's subventions have been put. These criteria might well include strengthening of faculty (qualifications of new appointees, significant salary improvements, and funds provided for faculty support including attendance at professional meetings); enrollment of disadvantaged youth; improved management practices in academic, business, plant maintenance, and other aspects of institutional operation. The success of the institutions' efforts to secure increased private gifts for current operations, especially from alumni and business firms, should also be reviewed.

The Commission believes that some institutions are too small to be viable educationally and economically. While it does not recommend larger enrollments as a general rule, it deems it desirable for individual institutions to achieve a size large enough to permit them to offer educational programs sufficient to fulfill sound educational objectives. The proposed review after five years should examine this dimension as well.

INSTITUTIONAL FREEDOM

The Commission considers it essential to insure the maximum degree of freedom and autonomy for the private institutions of the State. It is convinced that the proposals for assistance from public funds which it has recommended will not interfere with the essential freedom and autonomy of any private institution. Its recommendation for direct grants based on enrollments does not entail prior administrative review or decision and does permit institutional freedom of decision with respect to internal use of the funds. The proposals for voluntary participation in statewide master planning, or participation in a program to provide opportunities for disadvantaged youth, or in a program of interinstitutional cooperation, all emphasize voluntary action.

It is entirely proper, however, that the appropriation of public funds to private institutions should entail public accountability for their expenditure. This surveillance will be new to the private institutions and will obviously require certain adjustments on their part. As recipients of public funds, they will have to be ready to show that their use of such monies as the State may provide has been economic and effective, and continues to be in the public interest. Without question, they must be prepared to report regularly on their operations and activities and to participate in periodic review of what their stewardship and use of public funds have accomplished.

The review and evaluation of the programs of public assistance after five years of experience are designed to insure that institutions have utilized public funds judiciously to improve quality and opportunity. Moreover, requirements for substantial reporting of institutional operations and activities on a regular basis to the designated state agency are essential operational procedures. Neither can be rightly construed as an impairment of institutional autonomy or freedom.

CHAPTER IV

Eligibility for Assistance

The Commission has concluded that there is need for prompt public action to assist the private institutions in Illinois, and that such action is clearly in the public interest and will serve a public purpose. A significant contribution to the general welfare will flow from assistance to the private sector to improve and strengthen it, to enable it to remain viable in partnership with the public sector, and to help assure its role in meeting the higher educational needs of the State.

The Commission recommends that the State proceed immediately to provide assistance from public funds to institutions which are clearly eligible to receive aid, and that it not defer action until all possible problems of eligibility have been resolved. In urging this, the Commission recognizes that there may well be major questions of public policy for the people of the State to decide. These questions are centered on the provision of public funds to private organizations and on assistance to institutions which are church-related.

Providing, enlarging, and improving higher educational opportunities are secular functions. State action to perform these functions through public institutions is universally recognized as fulfilling a secular purpose. State action to assist eligible private institutions should similarly be recognized as fulfilling a secular purpose.

The Commission holds that fulfillment of a public purpose should be primary and controlling, and that aid to a private institution should not support sectarian purpose or indoctrination or in any way press a sectarian purpose or value on students in the institution.

It must be added, however, that the Commission does not believe that church relationship or affiliation in and of itself should preclude State assistance, since such relationship need not *per se* involve or presuppose sectarian purpose. Grants designed to further a secular purpose which are made to a church-related institution are not in support of a sectarian objective when any aid or benefit flowing from them to religion is slight, vague, and purely incidental. Since such a result is, at most, only secondary and incidental to the primary purpose of the aid, it should not be a bar under the "Establishment" clause of the Federal Constitution or under the Illinois Constitution.

There are, of course, degrees of church relationship or affiliation. The Commission recommends that the Board of Higher Education draw the appropriate legislation with broad general guidelines to distinguish control from informal or incidental relation. Such legislation should provide for aid only when the institution is basically not engaged in a sectarian purpose, and should utilize provisions similar to those in the Federal legislation allowing for grants for construction of teaching facilities in the medical and health field (Chapter 42, U.S. Code Annotated, Section 293 (c).). Activity that might be viewed as sectarian is so varied and contingent upon surrounding circumstances as almost to defy enumerative definition that would cover all circumstances. Hence general rather than detailed legislative guidelines are recommended.

The Board might well incorporate in the preamble of the legislation specific recognition that, in view of the support which Illinois is providing already for its public institutions, it is unnecessary to make additional funds available to these institutions in the same form as the grants to the private institutions.

Drawing legislation will give the Board an opportunity to establish appropriate standards of eligibility for institutional participation in the program of State assistance. The Commission urges that the Board consider the following criteria in making this determination:

1. that the governing board of the institution possess its own sovereignty;
2. that the governing board, or components within the institution to which the board delegates authority, possess final authority in all matters including educational policy, choice of personnel, determination of program, and financial management.

Other aspects of eligibility pertain to other dimensions of institutional operation. The Commision recommends that the Board consider the following criteria as well:

3. that the institution possess and maintain an open policy with respect to race, creed or color in admission of students, appointment of faculty, and employment of staff; and that there be no bars of race, creed or color for any activity or function over which the institution has jurisdiction;
4. that the institution be able to show its financial stability today and, with appropriate State assistance, reasonable prospects for its future financial stability;
5. that the institution not be operated for profit.

Provided the institutions meet the minimum standards of quality and eligibility to be set by the Board of Higher Education, assistance from public funds should be made available at the earliest possible moment to those private institutions in Illinois which are demonstrably free from the type of sectarian control or indoctrination that would render such aid unconstitutional. Such aid should properly not be donative to the private institution, nor indeed would it be, since in most instances a sizable gap exists between the cost of providing a student's education and the amount the student actually pays, and since the public grant would be only a small fraction of the total cost.

On the basis of advice of legal counsel, the Commission believes that these recommendations are consistent with the provisions of the Illinois Constitution and with such precedents as do exist.

CHAPTER V

Administration of the Program

The Commission recommends that the Illinois Board of Higher Education be designated as the agency to administer the programs of public assistance which it has outlined. The Board is a strong and effective public body, and its designation will achieve the advantages of coordination and consistency through a single agency and avoid the problems implicit in a system of dual agencies.

The Board is highly respected in the State, is well staffed, has provided dynamic leadership, and has taken constructive approaches in meeting the higher educational needs of the State. It has invited the participation of the private institutions in its studies and in many significant phases of its master planning. It has had some experience in evaluation and decision making vis-a-vis the private institutions, particularly with respect to the administration of Federal programs of financial assistance.

The present role of the Board should be expanded to draw private and public institutions closer together by assigning to the Board the administration of the programs of assistance to private institutions. The additional staff which the Board will require to discharge these enlarged responsibilities should be provided, of course.

Since there is a trend away from institutional representation *per se* on coordinating boards, the Commission does not recommend appointment of representatives of private institutions to the Board.

Instead, the Commission recommends that the Board of Higher Education establish an Advisory Committee, composed of representatives of the private institutions, to provide continuing liaison between the institutions and the Board and its Executive Officer. The Advisory Commitee of presidents of the private institutions, which the Board has recently appointed, could serve in this capacity with some change in role to permit more intimate involvement. This Committee should advise the Board in the following areas:

1. Compilation of data from the private institutions, including financial and operating data, planning and development information, and other related matters.
2. Long-range, coordinated master planning involving both public and private institutions.
3. Development of criteria for establishing and chartering new private institutions.
4. Provision and utilization of management and administrative consultative services for the private institutions.
5. Administration of State programs of public assistance to the private institutions.
6. Administration of programs of Federal assistance to private institutions within the State.
7. Periodic reviews of the needs of private higher education and possible State assistance in meeting the needs.

CHAPTER VI

Summary and Conclusion

SUMMARY

The Commission has concluded that financial assistance to the private institutions from public funds is imperative in Illinois.

It has found that the surplus of current revenue over expenditure is declining and that most private institutions in Illinois face the prospect of debilitating deficits within a very few years. The current financial situation of these institutions would be much more serious if they were to pay adequate faculty salaries and benefits. Their present small operating surplus disguises as well a large backlog of deferred maintenance, impoverishment of libraries, inadequate administrative staffing, and other deficiencies.

In recommending public support of private higher education in the State of Illinois, the Commission deems it essential to preserve and strengthen the dual system of privately-supported and publicly-supported institutions of higher education. Both sectors must be strengthened if they are, in partnership, to meet successfully the needs and problems which the future holds.

Furthermore, the private institutions must retain the maximum degree of independence in decision making since their contribution in meeting needs and solving problems will be enhanced by continuing flexibility. It is also essential to preserve and enhance the range of educational opportunities available to students, and the freedom of students to choose the institutions they wish to attend.

The Commission recommends that the State of Illinois act forthrightly to assist the private institutions in the following ways:

1. Making annual direct grants from public funds to the private institutions in the State for the support of their current educational and general operations. These grants should be based upon both the number of Illinois State Scholarship and Grant recipients enrolled in each institution and the number of all other full-time equivalent undergraduate students enrolled irrespective of their place of residence.
2. Enlarging the functions of the Illinois Building Authority to embrace financing of new academic facilities on the campuses of the private institutions.
3. Establishing a fund for contracts with private institutions, individually or in a consortium, for special services or for the performance of other tasks to meet State needs economically and efficiently.
4. Establishing a fund to assist in the development of programs of interinstitutional cooperation among groups of private institutions and among clusters of public and private institutions.
5. Expanding the State scholarship and grant program to provide still greater opportunities for Illinois students to continue their education at institutions of their own choice.
6. Establishing a management advisory service to assist both private and public institutions to improve their management and administration.
7. Extending the already existing collaboration between public and private sectors in statewide planning for the future.

The Commission recommends that the Illinois Board of Higher Education be designated as the agency to administer these programs of public assistance. The Board is a strong and effective public body, and its designation will achieve the advantages of coordination through a single agency and will avoid the problems inherent in a system of dual administration.

The Commission emphasizes that there is need for prompt public action to assist the private institutions in Illinois, that such action is clearly in the public interest, and that it will serve a public purpose. It recommends that the State proceed immediately to provide assistance from public funds to institutions which are clearly eligible to receive such aid, and that it not defer action until all possible problems of eligibility have been resolved.

The Commission holds that fulfillment of a public purpose should be primary and controlling, and that aid to a private institution should not support a sectarian purpose or in any way press a sectarian value on students. The Commission sees no barrier under the State's constitution to State action to assist private institutions which are not under sectarian control.

In conclusion

Higher education in the United States has faced many problems and crises in its long and fruitful history. At this juncture of time and circumstance, institutions of higher learning are confronted with many problems arising largely from the major new responsibilities which society is asking them to meet. Some of these problems are financial; some reflect the broader issues of ferment, change, and adjustment in society as a whole. More than ever, colleges and universities are required to look into the future and to respond and adjust to pressures they have not experienced before.

The private institutions in America and in Illinois are striving to meet the many demands placed upon them by society. These institutions have a remarkable opportunity to make liberal education relevant to students and to bring the highest level of scholarship to bear upon the problems of modern life. The liberal arts college, both within and apart from the university, can act to develop a true community, with its integral elements of personal identity, mutuality, and human relationship. Leadership of an uncommon variety will be called upon to meet these responsibilities.

The State of Illinois also has an opportunity to take another decisive step to extend its policy of preserving and enhancing the diversity of higher education available to students and of assuring them the freedom to choose the institutions they wish to attend. Illinois has made major advances in higher education in recent years. The public colleges and universities have entered a new stage of development. A statewide system of junior colleges has been established. A system of State scholarships and student grants has done much to extend equality of opportunity and to strengthen freedom of student choice. Many of these advances have come through the enlightened leadership of an effective Board of Higher Education.

Fortunately, Illinois has clearly and forthrightly taken the position that it is in the public interest to utilize the resources of *all* its institutions, public and private, in extending higher education to its youth. In the Commission's judgment, a necessary and logical step in the public interest requires the strengthening of the private institutions so that they may continue to provide highly desirable—indeed necessary—forms of education. By making it possible through scholarships and grants for young people to enter private colleges and universities, Illinois has given decisive witness to the value of these institutions.

The people of Illinois must now provide further means of maintaining educational diversity, of assuring equal access to private colleges and universities, of improving their educational quality, and of achieving their financial stability.

Illinois is not alone in its efforts to strengthen private higher education. Other states are moving in this direction. The State of Illinois has an opportunity to exert leadership in a national movement while it strengthens and enriches its own system of higher education.

The Commission is confident that the people and their leaders will not fail to give their private colleges and universities greater stature and more complete partnership in a rich and varied statewide program of higher education.

APPENDIX A

Private Institutions in Illinois

UNIVERSITIES*

- Bradley University
- DePaul University
- Illinois Institute of Technology
- Illinois Wesleyan University
- Loyola University
- Millikin University
- Northwestern University
- Roosevelt University
- The University of Chicago

COLLEGES

- Augustana College
- Aurora College
- Barat College of the Sacred Heart
- Blackburn College
- College of Jewish Studies
- College of St. Francis
- Columbia College
- Concordia Teachers College
- DeLourdes College
- Elmhurst College
- Eureka College
- George Williams College
- Greenville College
- Illinois College
- Judson College
- Knox College
- Lake Forest College
- Lewis College
- MacMurray College
- Maryknoll College
- McKendree College
- Monmouth College
- Mundelein College
- National College of Education
- North Central College
- North Park College
- Olivet Nazarene College
- Pestalozzi Froebel Teachers College
- Principia College
- Quincy College
- Rockford College
- Rosary College
- St. Dominic College
- St. Procopius College
- St. Xavier College
- Shimer College
- Trinity College
- Wheaton College

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*This classification includes all institutions with the word "university" in the institutional name. There are substantial differences in size and complexity among the nine universities.

JUNIOR COLLEGES

- Central YMCA Community College
- Felician College
- Immaculata College
- Kendall College
- Lincoln College
- MacCormac College
- Mallinckrodt College
- Maria Junior College
- Monticello College
- Robert Morris College
- Springfield College in Illinois
- Trinity Christian College
- Winston Churchill College

HEALTH INSTITUTIONS

- Chicago College of Osteopathy
- Chicago Medical School
- Illinois College of Optometry
- Illinois College of Podiatry

LAW SCHOOLS

- Chicago-Kent College of Law
- John Marshall Law School

INSTITUTIONS FOR THE FINE ARTS

- American Conservatory of Music
- Chicago Conservatory College
- School of the Art Institute of Chicago
- Sherwood Music School
- VanderCook College of Music

Historical and Financial Data

Each of the 71 private institutions in Illinois was requested to complete a set of historical data schedules which the Commission had prepared. Schedules were returned by 61 institutions. Of these, eight were so incomplete as to be unusable, and an additional 14 schedules were incomplete in major segments. Had these latter schedules been used in the tabulations which follow, an undesirable unevenness and lack of consistency in the presentations would have resulted.

After careful review of the schedules, reports of 39 institutions were selected as being sufficiently complete in all relevant sections and years to present a satisfactory basis for analysis and comparison. These 39 universities, colleges, and junior colleges accounted for 85 per cent of the total head count and full-time equivalent enrollment in all the private institutions in the fall of 1967. They are judged to be sufficiently representative of the totality of private higher education in the State to serve as the basis for analysis and to permit satisfactory conclusions to be drawn.

In addition, the historical data survey is reasonably complete in the sense that (a) most of the major private institutions in the State participated, and (b) those which participated represent the major share of educational effort in the private sector as measured by enrollment and degrees awarded.

The status of the schedules is summarized below; Appendix A above presents a list of the institutions in each category.

Type of Institution	Number of Institutions	Schedules Received	Schedules Used in Tabulations
Universities	9	9	9
Colleges	38	33	25
Junior colleges	13	12	5
Specialized institutions	11	7	–
Total	71	61	39

The specialized institutions (fine arts, health, and law) are not included in the summary tabulations since the number of responses in each category was so limited and since several of the institutions presented only sketchy information.

Throughout this Appendix, the analysis has been concentrated on the status of the 39 institutions for the years 1960-61, 1965-66, and 1966-67, since the data for these three years were the most nearly complete. In a few instances, reference is made to the status of 30 of the 39 institutions for the years 1950-51 and 1967-68 to reflect longer trends as well as the most recent year of operation. Whereas the basic sample of 39 institutions represents 85 per cent of all private higher education enrollments in the State, this smaller "sample within a sample" represents approximately 77 per cent of enrollments. It is sufficiently large in itself to reflect adequately the longer-term movements.

It may be noted parenthetically that the inclusion of The University of Chicago and Northwestern University in both these samples presents almost as many problems as the omission would have created. They are so large in terms of finance that they dominate the presentations. This is particularly true with respect to gifts, endowment, research, and operating budgets. In consequence, it could be said that many of the totals are overstated and may convey a rather inflated picture of private higher education. On the other hand, because of the close budget control at these two institutions, i.e., virtual balances in operating totals of some $104 million, the relative amounts of operating surpluses generated by the other institutions tend to be understated. These rather unusual circumstances should be recalled in interpreting the data and commentary which follow.

The tables which follow report data for all 39 institutions or for as many of them as provided information on a particular item. Table B-2, for example, presents information on staffing at all 39 institutions; Table B-3 includes only 37, and Table B-4 includes 34.

Most of the tables amplify the information which is contained in the text of the report. The relatively small amount of duplication is not undesirable since it tends to make the presentation in this Appendix more complete.

Enrollment

Total enrollment in the 71 private institutions in Illinois in 1967-68 was 123,070 students on a head count basis and 98,983 students on a full-time equivalent basis. These totals represent 35.8 per cent and 35.7 per cent respectively of the aggregate enrollments in institutions of higher education in the State.

Enrollments in the 39 institutions which are included in this analysis have increased by 27 per cent from 1960-61 to 1967-68. This rate of change has been less than that reported for all private institutions in the State. The slowing of the rate of increase over the past three years, however, is consistent with the experience of all the institutions. Table B-1 summarizes the enrollments at the 39 colleges and universities.

Table B-1

HEAD COUNT ENROLLMENTS IN THE 39 PRIVATE INSTITUTIONS

	1960-61	1965-66	1966-67	1967-68
Chicago and Northwestern	24,265	22,271	25,477	26,051
Other universities	36,153	44,207	45,388	46,282
Colleges	20,585	26,944	28,706	29,247
Junior colleges	1,463	2,900	2,989	2,966
Total	82,466	98,322	102,560	104,546

Faculty and Staff

The 39 institutions reported a total of 6,237 day-time faculty members for 1966-67. This total is made up of 5,174 full-time and 1,063 part-time persons. Table B-2 summarizes the faculty data for these institutions for 1960-61, 1965-66 and 1966-67. It shows a growth of day-time faculty of 39 per cent over the seven years, which may be contrasted with the relative growth of enrollment (27 per cent). The comparison suggests that faculty-student ratios have improved. This conclusion is reinforced by the data presented in Table B-3. It may be inferred from this table that the combined faculty-student ratio for all the institutions lies in the 1 : 15 to 1 : 16 range, although a weighted average would undoubtedly be somewhat lower as a consequence of the more favorable ratios at Chicago and Northwestern.

Table B-2 also shows the number of supporting staff reported by the 39 institutions. The numbers are large and reflect an increase of

32 per cent over the seven year period. There has been a very slight decline in the number of supporting staff per faculty member.

Table B-2

FACULTY AND SUPPORTING STAFF

	1960-61	1965-66	1966-67
Full-time Faculty			
Chicago and Northwestern	1,563	1,898	1,989
Other universities	1,118	1,405	1,584
Colleges	966	1,309	1,439
Junior colleges	78	132	162
Total	3,725	4,744	5,174
Part-time Faculty			
Chicago and Northwestern	260	275	274
Other universities	276	375	422
Colleges	229	302	313
Junior colleges	39	49	54
Total	804	1,001	1,063
Total faculty	4,529	5,745	6,237
Supporting Staff			
Professional	5,395	6,254	7,009
Clerical	3,893	5,470	5,676
Maintenance	2,688	3,179	3,142
Total	11,976	14,903	15,827

Table B-3

FACULTY-STUDENT RATIOS

	Universities			Colleges			Junior Colleges		
Ratio	60-1	65-6	66-7	60-1	65-6	66-7	60-1	65-6	66-7
Under 1.10	1	1	1	–	–	–	1	1	2
1:10 to 11.9	1	2	1	1	1	2	–	–	–
1:12 to 13.9	–	–	1	5	–	1	–	–	–
1:14 to 15.9	2	–	2	6	9	9	1	1	1
1:16 to 17.9	1	3	2	5	5	7	1	–	1
1:18 to 19.9	1	2	2	2	6	2	–	–	–
1:20 and over	–	1	–	2	2	2	–	1	1

Table B-4 summarizes faculty teaching loads. Institutions were requested to report the number of student credit hours per faculty member. More than half, however, reported loads in terms of semester hours of instruction per week. The latter data, shown in the upper half of the table, suggest a gradual reduction in teaching loads. The data on student credit hours per faculty member in the lower half of the table are less clear and appear to support the inference of relatively little change in loads.

Table B-4

FACULTY TEACHING LOADS

Average Course Load (Hours per week)	1960-61	1965-66	1966-67
10	2	4	4
11	–	–	1
12	4	8	9
13	2	2	–
14	2	–	–
15	3	3	3
16	1	–	–
17	–	–	–
18 and over	1	1	1
Student Credit Hours per Faculty Member			
150-174	–	2	6
175-199	–	–	–
200-224	4	2	2
225-249	2	4	4
250-274	2	2	2
275-299	1	1	1
300 and over	1	2	1

The following three tables, B-5, B-6, and B-7, report faculty salaries and fringe benefits. Table B-5 shows salary ranges for all ranks by type of institution, as well as the medians of reported average salaries by rank. Both sections of this table reflect improvement in salaries, although the rate of increase appears to have lagged behind the national average.

Table B-6 reports the AAUP Compensation Grades for average and minimum salaries. Although the data are not clearcut, it is

Table B-5

FACULTY SALARIES

All Ranks	1960-61	1965-66	1966-67
Range of Maxima			
Universities*	$7,250 to 18,000	$11,100 to 22,500	$13,400 to 27,000
Colleges	5,400 to 14,000	8,000 to 21,000	7,700 to 23,000
Junior colleges	4,950 to 7,500	7,100 to 10,200	7,150 to 10,800
Range of Minima			
Universities*	4,200 to 6,000	$5,250 to 6,500	$5,700 to 7,000
Colleges	3,015 to 5,200	4,000 to 6,600	5,000 to 6,700
Junior colleges	4,000 to 6,400	4,800 to 6,200	5,000 to 6,200
Medians of Reported Average Salaries			
Professors			
Universities*	$9,228	$11,368	$12,095
Colleges	6,944	9,633	10,896
Junior colleges	–	7,933	9,070
Associate Professors			
Universities*	$7,813	$ 9,861	$10,144
Colleges	6,497	8,200	9,081
Junior colleges	–	8,100	8,500
Assistant Professors			
Universities*	$6,678	$ 8,370	$ 9,008
Colleges	5,791	7,531	8,170
Junior colleges	–	7,150	7,500

*Excluding Northwestern University and The University of Chicago.

possible to conclude that there has been some movement toward higher grades over the seven-year period. A large number of institutions do not report salary information to the AAUP and in consequence did not include this information in the historical data schedules.

Table B-6

AAUP SALARY GRADES

	1960-61	1965-66	1966-67
Grade for Average Compensation			
A	–	4	4
B	1	1	1
C	4	6	11
D	2	8	7
E	3	3	2
F	–	1	1
Grade for Minimum Compensation			
AA	–	1	1
A	–	3	2
B	–	2	5
C	5	8	10
D	3	7	7
E	1	2	–
F	1	–	1

The final table in this section reports fringe benefit programs as per cent of salary. In this instance, it was again necessary to resort to the use of a median of reported average benefits.

Table B-7

FRINGE BENEFITS AS PER CENT OF SALARY

	1960-61	1965-66	1966-67
Universities			
Range of benefits	5.0 to 13.2	6.0 to 16.0	7.0 to 16.1
Median of reported benefits	10.5	10.9	10.3
Colleges			
Range of benefits	6.0 to 12.0	5.0 to 17.2	5.0 to 17.4
Median of reported benefits	8.0	10.1	10.2
Junior Colleges			
Range of benefits		6.0 to 7.0	6.0 to 10.0

On balance, the data on faculty salaries support the conclusion that there is significant deficiency in salaries at most of the private institutions, particularly at the senior rank. This deficiency will be one of the most difficult for the institutions to overcome.

Libraries

Table B-8 summarizes the library situation in all institutions, except the University of Chicago which did not supply data. The table shows an increase in the total volumes held from 3,838,311 in 1960-61 to 5,112,059 in 1966-67. This is an increase of almost one-third. The total number of annual acquisitions has risen from 158,850 to 272,494. The reported number of current periodicals

Table B-8

LIBRARY DATA

	1960-61	1965-66	1966-67
Number of Bound Volumes			
Universities	2,528,786	3,084,925	3,218,099
Colleges	1,245,175	1,694,387	1,802,765
Junior colleges	64,350	80,680	91,195
Total	3,838,311	4,859,992	5,112,059
Number of Acquisitions			
Universities	98,665	135,520	158,151
Colleges	56,599	93,209	103,385
Junior colleges	3,586	7,668	10,958
Total	158,850	236,397	272,494
Number of Current Periodicals			
Universities	23,565	29,150	33,598
Colleges	7,499	11,183	12,436
Junior colleges	484	736	831
Total	31,548	41,069	46,865
Library Staff			
Total professional	158	218	228
Total non-professional	167	228	254

Note: The American Library Association statistical report for 1965-66 shows for Chicago 2,445,141 volumes; 120,489 acquisitions; and 27,388 serials.

held has increased from 31,548 to 46,865. The table also indicates the total number of professional and non-professional members of the library staffs. Table B-9, which summarizes the financial statistics of library operations as reported by the 38 institutions, shows more than a doubling of library expenditures over the seven years.

Table B-9

LIBRARY EXPENDITURES

	1960-61	1965-66	1966-67
Personnel	$1,493,518	$2,776,038	$3,181,541
Book acquisition	613,799	1,379,895	1,647,477
Periodicals	90,042	179,155	224,152
Binding	46,649	96,857	106,551
Special collections	984	32,053	42,811
Other	300,294	396,371	285,535
Total	$2,545,286	$4,860,369	$5,488,067

Financial Status

The financial status of the private institutions in the State is summarized in this section. It is apparent that, procedurally, the institutions combine their current educational and general funds, student aid funds, and auxiliary enterprise funds in financial administration. Evidence of this is found in the historical data schedules as well as in discussions with administrative officers of several of the institutions. In connection with the financial analyses, the size of Chicago and Northwestern should be borne in mind.

Current Funds Operation. Table VIII in the text of the report has summarized the current funds operation of the 39 institutions for the three years 1960-61, 1965-66, and 1966-67. It is not repeated here. Reference to it, however, will disclose several significant facts about the financial situation of these institutions:

1. There has been substantial growth in current fund expenditures over the seven-year period. On the average, these expenditures were some 85 per cent higher in 1966-67 than they were in 1960-61. (A separate analysis of 30 of the 39 institutions which reported usable data for the entire period 1950-51 to 1967-68 shows an 18-year growth in current funds expenditures of over 300 per cent.)

2. There was a sharp decline in both the absolute amount and percentage of surplus from 1965-66 to 1966-67, and there has been further decline from 1966-67 to 1967-68. The combined surplus at the 39 institutions declined from $6.9 million in 1965-66 to $3.9 million in 1966-67 and the surplus as a percentage of combined current revenues was cut in half.
3. In 1960-61, nine institutions sustained deficits totaling $367,000. Ten had deficits totaling $725,000 in 1966-67. Three institutions had deficits in both years.
4. In 1966-67, 14 institutions reported surpluses in both educational and general funds and auxiliary enterprise accounts. Fifteen reported a surplus in one account and a deficit in the other, but an over-all net surplus in both. Of these 15, four reported a surplus in educational and general funds and a deficit in auxiliary enterprises, while 11 reported a deficit in educational and general funds and a surplus in auxiliaries.

Table B-10

INSTITUTIONS REPORTING OVER-ALL DEFICITS

	1960-61	1965-66	1966-67
Number of institutions	9	5	10
Total deficits at these institutions	$367,019	$593,220	$725,166

Data separately reported to the Commission reflect a continuing decline in the financial situation of the institutions in 1967-68. The over-all net surplus at 32 of the 39 institutions for that year was $1,281,000. Eighteen of them reported surpluses of $2,745,000, while the other 14 had deficits totaling $1,464,000. The combined net surplus of these 32 institutions in 1966-67 was 2.7 per cent of their revenue. It had fallen to 1.2 per cent of the revenue in 1967-68.

Table B-11 provides a detail of aggregate educational and general revenue and expenditures by standard institutional accounting categories for each of the three years, and also shows a percentage

Table B-11

EDUCATIONAL AND GENERAL REVENUE AND EXPENDITURES

	1960-61		1965-66		1966-67	
Revenue	Total	Per Cent	Total	Per Cent	Total	Per Cent
Tuition and fees	$ 52,430,715	48.1	$ 98,725,824	54.0	$108,200,951	53.3
Endowment	14,000,794	12.8	17,338,293	9.5	18,494,929	9.1
Gifts	15,200,398	14.0	22,445,413	12.3	24,944,981	12.7
Government allocations	225,875	.2	857,878	.5	1,338,770	.6
Organized activities	12,893,974	11.8	18,076,701	9.9	19,078,254	9.4
Sales/miscellaneous	6,856,470	6.3	10,657,971	5.8	12,815,567	6.3
Contributed services	1,401,775	1.3	1,910,689	1.0	1,950,534	1.0
Research overheads	3,519,556	3.2	8,158,413	4.5	9,313,485	4.6
Sub total	106,529,557	97.7	178,171,182	97.5	197,137,471	97.0
Student aid revenue	2,551,583	2.3	4,568,790	2.5	6,110,689	3.0
Total revenue	$109,081,140	100.0	$182,739,972	100.0	$203,248,160	100.0
Expenditures						
Instruction and departmental research	$ 60,491,748	56.7	$ 95,394,515	53.3	$106,423,758	52.7
General administration	8,010,017	7.5	13,056,031	7.3	14,420,867	7.1
Student services	4,665,685	4.4	8,630,397	4.8	9,759,043	4.8
Libraries	3,727,634	3.5	7,295,850	4.1	8,299,871	4.1
Public service	1,715,139	1.6	2,923,670	1.6	3,238,119	1.6
General institutional expense	3,387,328	3.2	7,053,049	3.9	8,248,183	4.1
Debt service	1,107,047	1.0	1,383,645	.8	1,568,779	.8
Physical plant	12,615,242	11.8	19,495,302	10.9	22,602,178	11.4
Organized activities	1,618,423	1.5	3,515,537	2.0	3,432,642	1.7
Other	1,943,463	1.8	2,687,441	1.5	2,656,037	1.3
Sub total	99,281,726	93.0	161,435,437	90.2	180,649,477	89.6
Student assistance	7,428,838	7.0	17,550,738	9.8	20,905,603	10.4
Total expenditures	$106,710,564	100.0	$178,986,175	100.0	$201,555,080	100.0
Surplus	2,370,576		3,753,797		1,693,080	

distribution for both revenue and expenditure categories. The following points are to be noted:

1. There has been a relative increase in the share of revenue from tuition and fees, indicating a somewhat greater dependence on this source of income.
2. The shares of endowment income and income from organized activities have shown relative declines.
3. Instruction and departmental research expenditures have declined relative to total expenditures.
4. A substantial increase in student aid expenditures has occurred, and such outlays far exceed student aid revenue.
5. Other expenditure categories have maintained relative proportions rather consistently.

Gifts. Gifts for current operations, reported in Table B-12, increased from $23.5 million in 1960-61 to $34 million in 1966-67, or by 43 per cent. Not all of these gifts were taken into the educational and general funds budget, of course. Unfortunately, many of the institutions were unable to report gifts by source, thus precluding a calculation of relative shares. The costs of obtaining gifts were undoubtedly under-reported, although those indicated increased from 9 per cent in 1960-61 to 15.2 per cent in 1966-67 for all the institutions.

Sponsored Research. Only a relatively small amount of sponsored research is reported by the institutions other than Chicago, Northwestern, Illinois Institute of Technology, and Loyola. Chicago alone accounts for almost 60 per cent of the total sponsored research, and Chicago and Northwestern together account for about 90 per cent of the total. Table B-13 shows the revenue and expenditures on sponsored research as well as the allocation of research overheads for the three years. In each year, virtually all the research overheads were transferred to educational and general funds.

Assets. The assets of the 39 institutions have shown a significant increase, roughly paralleling the increase in current financial operations. Table B-14 reflects the composition of the assets for the three years. Particularly noteworthy are the increases in endowment funds, loan funds, and physical plant assets. The over-all increase in assets from 1960-61 to 1966-67 was 65 per cent. (For those of the 39 institutions which reported comparable data for 1950-51, the amount of increase in assets was $695.5 million and the relative increase was 252 per cent over the 18 years.) Investment in physical plant assets almost doubled over the seven-year period, and the relative share of plant to total assets increased from 43 per cent to 51 per cent. The increase in endowment funds, however, was less than one-third, and the relative share of endowments to total assets declined.

Endowment. Table B-15 presents data on endowments. It indicates the current book value, the amount of endowment which is restricted, the range and medians of the average rates of return on book value, and the distribution of endowment assets by type of investment. Although the time span reflected in this table is too short to permit inferences about long-term trends, it is apparent that investment management policies of the institutions tend to emphasize equity investments over debt investments. The proportion of portfolio invested in equities increased from 32 per cent in 1960-61 to 42 per cent in 1966-67. Over the same period, the medians of the rates of return on book value showed no change.

Table B-12

GIFTS FOR CURRENT OPERATIONS

Source	1960-61	1965-66	1966-67
Alumni*	$ 817,244	$ 1,569,944	$ 1,606,866
Foundations	1,624,774	2,981,765	2.363,926
Religious	1,231,522	1,534,019	1,576,051
Business	1,370,771	2,569,210	2,678,115
Individual bequests	771,305	1,021,798	1.232.004
Other sources**	18,023,241	25,552,048	24,559,590
Total	$23,838,857	$35,228,784	$34.016,552
Total reported cost of obtaining gifts***	$ 2,154,791	$ 4,484,224	$ 5,185,889

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*Medians of reported amounts of average alumni gifts are $20 in 1960-61: $29 in 1965-66; and $35 in 1966-67.

**Many institutions did not report gifts in the categories indicated. Their gifts were reported under "Other."

***Four of the smaller institutions reported no costs of obtaining gifts.

Table B-13

SPONSORED RESEARCH

	1960-61		1965-66		1966-67	
Institution	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
Illinois Institute of Technology	$ 1,017,541	$ 876,264	$ 3,077,124	$ 2,720,411	$ 3,490,841	$ 2,915,783
Loyola University	811,202	747,954	2,786,490	2,340,194	3,553,009	2,964,443
Northwestern University	8,110,556	7,328,847	18,651,638	16,710,716	21,246,262	19,007,638
University of Chicago	14,679,872	12,164,290	33,524,710	28,192,928	38,707,574	32,847,937
All others	263,132	256,737	864,574	830,973	712,675	698,278
Total	$24,882,303	$21,374,092	$58,904,536	$50,796,222	$67,710,361	$58,434,079
Total research overheads		$ 3,508,211		$ 8,108,314		$ 9,276,282

Table B-14

TOTAL ASSETS

	1960-61		1965-66		1966-67	
Assets	Total	Per Cent	Total	Per Cent	Total	Per Cent
Current funds	$ 58,244,048	7.8	$ 80,793,854	7.1	$ 83,077,631	6,6
Loan funds	6,134,072	.8	27,179,350	2.4	34,748,103	2.8
Endowment funds	317,384,036	42.4	394,468,540	34.8	419,021,568	33.6
Annuity funds	9,651,662	1.3	14,580,484	1.3	15,768,400	1.3
Plant funds	324,092,018	43.3	562,232,211	49.4	638,233,107	51.2
Agency funds	4,542,812	.6	4,595,927	.4	3,742,354	.3
Other funds	28,352,030	3.8	51,760,700	4.6	52,948,993	4.2
Total	$748,400,678	100.0	$1,135,611,066	100.0	$1,247,540,146	100.0

Table B-15

ENDOWMENT FUNDS

	1960-61	1965-66	1966-67
*Total Endowment at Book Value**			
Amount restricted	$134,527,669	$165,233,851	$179,686,249
Amount unrestricted	42,453,570	55,676,594	56,943,510
Total**	$176,981,239	$220,910,445	$236,629,759
Rate of Return on Book Value			
Range reported	2.1 to 6.5	2.5 to 9.7	2.1 to 9.5
Median of reported rates of return***	4.5	4.5	4.5
Distribution of Assets			
Equities	$104,090,306	$165,958,155	$178,753,670
Bonds	105,564,562	115,244,960	122,410,330
Mortgages	77,259,174	91,445,201	21,322,509
Other	37,490,755	34,078,359	35,467,976
Not indicated	1,614,677		1,309,737

*Market value was not reported by several institutions. Hence, no totals are shown in this table.

**These figures exclude Chicago which did not report a breakdown. Chicago's endowment totals are $147,708,473 for 1960-61; $181,921,086 for 1965-66; $189,721,035 for 1966-67.

***Not all institutions reported rates of return on market value. The median rates of those which reported are 3.5 for 1960-61; 4.0 for 1965-66; and 3.7 for 1966-67.

The difference between the balance sheet totals of endowment assets reported in Table B-14 and the totals in this table is due to the fact that the latter figures include some funds temporarily functioning as endowment.

Debt. The matter of institutional indebtedness is of particular concern. In 1950, total debt reported by 30 of the 39 institutions was $8.7 million. By 1960, debt at these 30 was $46.7 million, and by 1966-67 it had increased to $101.2 million. The increase from 1950-51 to 1966-67 was 12 times.

For all 39 institutions, the increase from 1960-61 to 1966-67 was 130 per cent, or double the rate of increase in total assets. In 1966-67, the total debt of $125.7 million was approximately 10 per

Table B-16

INSTITUTIONAL INDEBTEDNESS

	1960-61	1965-66	1966-67
Long Term Debt			
Chicago and Northwestern	$ 26,867,648	$ 28,914,507	$ 34,003,834
Other universities	10,538,901	21,164,034	23,919,771
Colleges	12,351,258	52,931,569	56,133,384
Junior colleges	471,700	1,593,020	2,283,042
Total	$ 50,229,507	$104,603,130	$116,340,031
Current Debt			
Other universities	$ 1,727,875	$ 2,219,097	$ 3,267,715
Colleges	2,639,026	3,109,505	5,522,738
Junior colleges	145,525	1,076,472	572,657
Total	$ 4,512,426	$ 6,405,074	$ 9,363,110
Total Debt	$ 54,741,933	$111,008,204	$125,703,141
Total reported debt service for interest and amortization	$ 2,507,573	$ 5,805,101	$ 6,952,642

cent of the total assets reported in table B-14. At several of the institutions, however, debt exceeds 25 per cent of asset value, and at one institution it is 44 per cent.

The indebtedness of the 39 institutions is reported in Table B-16. A supplementary analysis of long-term debt at 14 which are heavily in debt is shown in Table B-17. Total debt at these 14 at the end of 1966-67 was $35 million, just over one-fourth of the total at all 39 institutions. The major portion of the debt was incurred for residences and student union facilities, and the major portion had been borrowed from the federal government. One-fourth had come from private lenders and one-tenth had been borrowed from the institution's own funds. Borrowing from endowment is not considered to be a desirable practice.

The table also indicates a total of $9.4 million of current debt at the 39 institutions as of the close of the 1966-67 fiscal year. Virtually all of this debt was in the form of normal accounts payable and other accrued liabilities as of the year-end closing. A very small

Table B-17

ANALYSIS OF LONG-TERM INDEBTEDNESS AT FOURTEEN INSTITUTIONS

1966-1967

Total debt outstanding as of 1966-67	$35,348,704
Funds were borrowed for	
Academic facilities	7,492,146
Residences and/or unions	23,390,904
Other facilities*	4,465,654
Funds were borrowed from	
H.H.F.A.	14,370,000
Other Federal agencies**	8,234,000
Private firms	9,266,687
Institutional funds†	3,458,017††
Debt service during 1966-67	
Amortization	1,005,607
Interest	984,466
The major share of this debt was incurred since 1962	

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*Includes land, equipment, fraternities, power plant, gymnasium, *et al.*

**Includes borrowing from H.U.D. and under H.E.F.A.

†Includes borrowing from current funds reserves and endowments.

††$1,716,000 of this total was provided by the religious community which sponsors the college.

amount represents bank borrowings or other short-term loans payable.

Capital Funds. Table B-18 summarizes capital funds at the 39 institutions. It shows the sources from which capital funds were obtained and the purposes for which they were used. A growth in total capital funds from $27.8 million in 1960-61 to $58.5 million in 1966-67, or 110 per cent, is indicated.

In 1966-67, some $27 million of capital funds were obtained from private philanthropy, and another $16 million came from Federal government sources.

Tuition and Fees. Table B-19 shows the changes in tuition and fees at the public and at 43 private institutions in the State. The data were compiled by the Illinois State Scholarship Commission.

Table B-18

CAPITAL FUNDS

	1960-61	1965-66	1966-67
Source of Funds			
Annual gifts	$ 6,641,858	$ 5,033,101	$ 6,786,370
Special campaigns	3,948,029	8,187,139	10,234,908
Individual bequests	1,330,743	1,167,049	1,807,383
Religious	924,220	573,170	514,175
Foundations	325,199	4,133,620	1,642,293
Business	593,005	1,246,700	5,953,895
Government appropriations	218,995	3,597,237	5,387,131
Government loans	3,973,998	16,166,240	10,410,870
Other loans	1,882,176	6,078,695	3,795,222
Transfers	593,801	4,770,737	7,471,082
Other	7,356,646	3,276,124	4,512,959
Total	$27,788,670	$54,229,812	$58,516,288
Expenditures			
Academic facilities	$ 8,412,129	$24,081,078	$36,217,018
Residences and unions	10,236,132	14,133,650	13,007,733
Land	770,603	2,073,450	2,872,983
Improvements	224,386	1,018,943	961,790
Equipment	1,240,498	2,812,575	3,711,160
Total	$20,883,748	$44,119,696	$56,970,684

Average tuition and fees at all private institutions (weighted averages based upon full-time undergraduate enrollments are shown) roughly doubled over the eleven-year period from 1958-59 to 1968-69.

Summary

Appendix B has summarized much of the historical and financial information presented by the private institutions in Illinois. It has stressed the declining financial situation at the sample of 39 universities, colleges and junior colleges. It has shown the pattern of low faculty salaries, particularly at the senior rank, and has highlighted the magnitude of institutional debt. These are among the matters which the Commission has judged to be serious and which have caused the Commission to be concerned about the future of the private sector of higher education in the State.

Table B-19

WEIGHTED AVERAGE TUITION AND FEES

1958-59 to 1968-69

Year	Public Universities	Private Universities	Private Colleges	Private Junior Colleges	All Private Institutions
1958-59	$ 164	$ 768	$ 650	$ 598	$ 716
1959-60	183	825	675	612	757
1960-61	192	833	697	640	770
1961-62	202	954	817	713	889
1962-63	214	1,001	871	732	938
1963-64	220	1,104	921	813	1,017
1964-65	218	1,176	999	871	1,091
1965-66	237	1,298	1,071	920	1,181
1966-67	248	1,365	1,154	973	1,254
1967-68	248	1,465	1,254	1,053	1,356
1968-69	252	1,575	1,378	1,114	1,472
Percentage increase from 1958-59 to 1968-69	53	105	112	86	105

APPENDIX C

Characteristics, Role and Contributions of the Private Institutions

The private colleges and universities were asked to provide information about composition of, and changes in, student bodies, programs, institutional contributions to their communities, and specific institutional strengths. Much of the information presented in this Appendix has been taken from the schedules submitted by the institutions. Other sources were used for some of the sections.

Historical Perspective

The present position of the private colleges and universities in Illinois reflects their historical antecedents which, in some cases, go back almost a century and a half.

The outset of the nineteenth century was marked by a series of religious revivals throughout the country. Colleges in particular became centers of religious zeal as settlers from the east fanned out on the westward-moving frontier with evangelical enthusiasm to found denominational colleges and seminaries.

As a result, nearly every non-public college or university founded in this country until well after the Civil War had direct church ties or strong religious purposes. Illinois was no exception, since church-related colleges provided all the higher education in the State for its first half-century. The *Report of the Commissioner of Education* in 1871 listed 26 colleges and universities in Illinois, and all except the Illinois Industrial University, which was established in 1868, were reported to have some denominational affiliation.

During the first fifty years of Illinois' statehood, denominations and their colleges competed with one another for the Congressional land-grants known as "seminary funds" awarded by the Federal government when Illinois became a state in 1818. Unsuccessful in their efforts to obtain the seminary funds for themselves, the church-related colleges united to the extent of delaying the founding of a state university.

Allan Nevins, in his history which commemorates the first fifty years of the University of Illinois, notes that "Illinois was the last State of the North-west Territory, and one of the last in the middle-west, to found a State University." He also points out that "jealousies of the denominational colleges persisted to plague the University (of Illinois) after it was finally established."*

Of the 71 private institutions in Illinois, at least 26 trace their origins back over 100 years. McKendree College was first established by Methodists as the Lebanon Seminary in 1828, and Presbyterians and Congregationalists joined to found Illinois College just one year later. Illinois College was the first institution in the State to award degrees.

While many of the institutions continue close relations to their denominations, some have formally severed all church ties, as did Knox College in 1870. And the others, if not explicitly independent, now reflect wide variation in degree and kind of church relationship.

Growth

Number of Institutions. The number of private colleges and universities in Illinois has grown slowly but steadily over the years at the almost constant rate of five new institutions, including junior colleges, in every decade. And some institutions have disappeared along the way .

Eleven of the institutions listed in the 1871 *Report of the Commissioner of Education* are unknown today. Carthage College has moved from the State but there is no indication of what happened to Chicago University, Abingdon College, Marshall College, or Jubilee College in Robin's Nest, Illinois. Shurtleff College, one of the oldest institutions, closed its doors in recent years. When Lombard College experienced financial difficulties and closed in the 1920's, Knox College took over its alumni list, thereby making Carl Sandburg a Knox alumnus.

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*Nevins, Allan, *Illinois.* (New York: Oxford University Press, 1917.) pp. 2, 8.

Enrollment. In their early years, the colleges had modest enrollments, as did most colleges throughout the nation. Of the 26 colleges in the State in 1871, Monmouth College was the largest with 341 students; 147 of them were in its preparatory department. Illinois College ranked second with 324 students, followed by Northwestern University with 307 students, 185 of whom were in its preparatory department.

Until the founding of the Illinois Industrial University, later to become the University of Illinois, the private colleges provided all degree-level higher education in the State. Even the founding of the State university did not immediately alter this dominance in enrollment. As late as 1886-87 the State university enrolled only 393 students. However, less than 15 years later, in 1899-1900, its enrollment had grown to 2,234.

Table C-1

HEAD COUNT ENROLLMENT IN ILLINOIS COLLEGES AND UNIVERSITIES

1951 to 1967

Year	Total Enrollment	Public Institutions	Private Institutions	Per cent in Private Institutions
1951	126,577	45,550	81,027	64.0
1955	152,723	62,671	90,052	58.9
1960	200,092	96,246	103,846	51.9
1965	294,238	168,528	125,710	42.7
1967	343,718	209,435	134,283	39.1

Source: *Enrollment in Institutions of Higher Learning in Illinois 1967.* (Urbana: Bureau of Institutional Research, University of Illinois, 1967.)

Enrollments in the private institutions have risen steadily except during war-time periods and other times of national stress. Since 1951, enrollments in the private colleges and universities in Illinois have increased 66 per cent while the total enrollment in the State has grown by 170 per cent. In consequence, the relative share of enrollment in the private institutions has declined steadily from 64 per cent in 1951 to less than 40 per cent in 1967. The growth of enrollment, in total and by sectors, is shown in Table C-1.

Degrees Conferred. Until recently, Illinois has conferred more than its proportionate share of academic degrees relative to population in the nation; and until the present time the majority of these degrees has been awarded by the private institutions. Although enrollment in private institutions has dropped to below 40 per cent of the total in the State, these colleges and universities still awarded 50 per cent of all degrees in 1966-67. As noted in the body of the report, this comparison is somewhat distorted by the absence of data on associate degrees.

The number of degrees conferred by institutions in the United States and in Illinois are shown in Table C-2. The percentage of all degrees awarded by Illinois institutions has decreased from 6.9 per cent in 1947-48 to 5.0 per cent in 1966-67. In contrast, the total population of Illinois now represents approximately 5.5 per cent of the nation's total.

In 1947-48, the private institutions awarded 60.5 per cent of the 21,916 degrees conferred in Illinois. The total number of degrees conferred in the State has nearly doubled since then, but the percentage of those awarded by the private colleges and universities has declined to almost exactly half of the total. The number of degrees conferred in Illinois is shown in Table C-3.

Table C-2

DEGREES CONFERRED BY INSTITUTIONS
IN THE UNITED STATES AND IN THE STATE OF ILLINOIS
1947-48 to 1966-67

Year	Total United States	State of Illinois	Per cent of National Total in Illinois
1947-48	318,749	21,916	6.9
1950-51	456,822	26,899	5.9
1955-56	379,495	20,207	5.3
1960-61	490,628	24,823	5.1
1965-66	717,624	35,839	5.0
1966-67	773,375	38,956	5.0

Sources: *Earned Degrees Conferred.* (Washington: United States Office of Education, 1967.)

A Fact Book on Higher Education. (Washington: American Council on Education, 1968.)

Size of Institutions

The private colleges and universities reflect wide diversity in size, ranging from Northwestern University with over 13,000 students to several four-year colleges with fewer than 300 students. The average size of the seven larger universities is 7,487 students, while the 38 four-year colleges and two smaller universities have an average size of 920. The 13 junior colleges also vary widely in size, from over 1,800 to less than 100 students; their average enrollment is 459. The 11 specialized institutions enroll fewer than 900 students each, and the average full-time equivalent enrollment in these institutions is 347.

The size of these institutions contrasts markedly with that of the public colleges and universities. The eight public four-year colleges

Table C-3

DEGREES CONFERRED BY ILLINOIS INSTITUTIONS
1947-48 to 1966-67

	1947-48	1950-51	1955-56	1960-61	1965-66	1966-67
All Institutions						
Baccalaureate	17,572	21,208	16,077	17,104	24,268	25,444
Professional*				2,564	1,949	2,123
Masters	3,760	4,951	3,402	4,319	8,378	9,025
Doctoral	584	740	728	836	1,244	1,379
Total	21,916	26,899	20,207	24,823	35,839	37,971**
*Private Institutions****						
Baccalaureate	10,312	12,833	9,480	9,851	11,969	12,311
Professional*				1,605	1,356	1,654
Masters	2,512	2,930	1,811	2,058	4,137	4,364
Doctoral	426	485	426	403	635	721
Total	13,250	16,248	11,717	13,917	18,097	19,050
Per cent of State total in private institutions	60.5	61.0	58.0	56.1	50.5	50.2

*Prior to 1960, baccalaureate and first professional degrees were combined.

**Data for 1966-67 were taken from 1967 responses to the Higher Education General Information Survey and are not entirely complete for the State as a whole.

***Only the 58 universities, colleges, health, law, and fine arts institutions are included in this group.

Source: *Earned Degrees Conferred, op. cit.*

and universities enroll an average of 14,437 full-time equivalent students. Their 11 separate campuses have an average student population of 10,500.

National Representation in Student Bodies

Many private universities and colleges have national status while others are primarily local or regional institutions. Chicago and Northwestern are national universities, and several of the four-year colleges are similarly national in both reputation and representation of students. Among the other institutions, many enroll almost all their students from Illinois or from the Chicago metropolitan area.

The percentage of Illinois residents among the entering freshman classes in 40 private institutions in 1967 is shown in Table C-4.

Table C-4

PER CENT OF ILLINOIS RESIDENTS IN FRESHMAN CLASS OF 1967 AT 40 UNIVERSITIES AND COLLEGES

Per Cent of Illinois Residents	Number of Institutions
10-19	3
20-29	2
30-39	4
40-49	2
50-59	2
60-69	8
70-79	9
80-89	5
90-100	5

Changes in Student Bodies

While many private institutions have fairly stable student bodies, a number report important changes in enrollment over the past four or five years. The reports submitted by 38 universities and four-year colleges reflect many of these changes.

The following list summarizes some of the reported changes.

	Number of institutions
Quality of student body significantly improved	2
Quality of student body improved	16
Quality of student body relatively constant	13
Wider geographic representation in student body	8
More disadvantaged, Negro or lower income students enrolled	8
A more affluent student body	2
Increase in number of transfer students	5
Increase in Illinois residents	3
Decrease in Illinois residents	2

In addition to these rather general changes, other specific observations illustrate how diverse the student bodies are at these institutions.

DePaul University noted that 75 per cent of its freshmen come from Catholic high schools. Northwestern University reported a gradually increasing ratio of graduate to undergraduate students. The percentage of Northwestern students commuting from their parents' homes has decreased from 28 per cent to 16 per cent, and the percentage of Illinois residents has declined from 50 to 37 per cent. Illinois Wesleyan University stated that a larger proportion of its freshmen class is composed of winners of state scholarships.

Roosevelt University noted a larger proportion of older students due to its Bachelor of General Studies program for adults; graduate students now account for 25 per cent of its enrollment. It also mentioned that its "percentage of Negroes has decreased somewhat due to increased educational opportunities elsewhere; and higher tuitions have changed the economic spectrum of the student body to some extent."

Only one institution reported a decline in the quality of its student body as measured by Scholastic Aptitude Test scores. It attributed the gradual decline to both the number of "risks accepted" and "competition with low cost public colleges and richer private ones pulling away some of the best."

Greenville College reported a small decline in the proportion of Methodist students enrolled, noting that this has resulted from "another institution of this same denomination being established in

Michigan." Barat College has noted a steady improvement in student ability while Elmhurst College reported steady growth in both enrollment and quality. St. Xavier College observed that the "typical market for women's colleges run under the auspices of a religion is apparently diminishing at a spectacular rate," and that "the secondary parochial school is a diminishing market for this kind of college."

Shimer College felt that it is enrolling an increasing number of students who are attracted by some of the individualistic elements of its program. This change is thought to be part of the "national change in student attitudes toward operational structures."

Central YMCA Community College has a completely open admission policy, and it reported a rapid increase in the number of disadvantaged as well as foreign students. These changes have led to the establishment of a "developmental" or remedial program and to a large increase in enrollment in its English Language Institute.

Enrollment of Negroes

A recent report of the Office of Civil Rights of the United States Department of Health, Education, and Welfare indicated that, for the nation, 5.15 per cent of all undergraduates at colleges enrolling

Table C-5

WHITE, NEGRO, AND OTHER UNDERGRADUATES AT ILLINOIS INSTITUTIONS

Fall, 1967

	White	Negro	Other	Total	Negro as per cent of Total
Total public institutions	131,027	8,468	1,740	141,235	5.99
Total private institutions	74,308	3,406	1,568	79,282	4.30
Total Illinois	205,335	11,874	3,308	220,517	5.38
Total United States	4,393,768	245,410	125,656	4,764,834	5.15
Illinois as per cent of national total	4.67	4.84	2.60	4.63	

Source: *The Chronicle of Higher Education*, April 22, 1968.

500 or more students in the fall of 1967 were Negroes. In Illinois, the comparable percentage was 5.38. The private institutions, however, fell below the state average with 4.3 per cent, while the public institutions enrolled almost 6 per cent. No private institution reported that it had enrolled no Negroes.

Table C-5 shows the number of white, Negro, and other undergraduates in 1967, and also shows the Negro enrollment as a percentage of total undergraduate enrollment.

Calendars and Programs

Calendars. Many private colleges and universities in Illinois have rearranged or modified their academic calendars. This is one academic innovation that seems to have become widespread; half the institutions for which information was available no longer utilize the traditional two-semester academic year.

Several of the colleges have moved to a calendar in which the first semester begins in early September and ends before the Christmas recess. Some add a short term for study and research in January and terminate the second semester at the end of May. Others close the academic year in early May.

Three universities and a number of colleges follow a quarter system with the academic year divided into thirds. One college has four terms in the normal nine-month academic year.

While calendar innovation has been attractive to most of the institutions, one disadvantage has been mentioned by a few: The lack of congruence among calendars has limited some cooperative programs among nearby institutions.

Programs. Experimentation with the calendar has often been associated with variation in number of courses which students carry each semester, quarter or term. However, little variation is reported in what is taught, regardless of the combinations.

Monmouth College and Knox College have adopted a "three-term, three-course" program of studies. MacMurray College requires four four-hour courses each semester; Greenville College has a similar program. Eureka College requires three courses in each of its four terms.

Judson College has accelerated the academic program by offering three full 14-week semesters each year, thus enabling a student to graduate in three years or less. Rosary College also offers acceleration through four-year programs leading to both baccalaureate and masters degrees in French, Spanish, English, History, and Psychology. Mundelein College features a curriculum that is "growing, experimenting, and changing with the times." The College of St. Francis and Lewis College have a cooperative program in which each college recognizes the courses, faculty, and majors of the other institution.

Blackburn College's work program is distinctive. The College requires 15 hours of work per week by every student to help maintain, operate, and even build the college. Student charges are lower than those at many other institutions, due at least in part to the success of this unique work program

A number of the colleges offer a "semester in Washington" and "junior year abroad" programs, frequently in cooperation with other institutions. DePaul University and several other universities offer extension work and, in addition, provide home study courses.

Shimer College has adapted the general education programs of Columbia University and The University of Chicago to create a curriculum of general courses, covered by 9 comprehensive examinations, as well as more specialized courses. Columbia College offers curricula which concentrate on the fine arts, graphics, media, and communications fields.

Impact on Communities

Almost all private colleges and universities in the State report that they have an important impact on their local communities.

A rather clear pattern emerged from the reports of the institutions. The chief social interaction with the community is through the participation of faculty and staff, and in a number of instances, of students, in civic organizations and activities. The primary cultural impact is through the cultural events on a campus and through joint college-community cultural activities either on or off the campus. The most frequently mentioned economic impacts are institutional payrolls, other current spending, and the casual spending by students, their parents, and visitors. Many institutions represent the largest "industry" in their local communities, and one or two are the largest in their respective counties.

Among the more commonly mentioned social, cultural, and economic impacts as reported by 39 four-year colleges and universities are the following:

	Number of institutions
Faculty and staff participation in local civic activities	15
Cultural events on campus open to community residents	26
Cultural events combined with community	7
Economic impact through faculty and staff payroll	7
Economic impact through other current expenditures	6
Economic impact through student and parent spending	5
Special or evening courses available for community residents	10
Campus facilities provided for community activities	5
Importance of alumni in the community	5

In addition to these general contributions, a number of others may be mentioned. Bradley University participates in educational television in its area. It has a program for gifted students in the local public and parochial schools. Over 200 of its students work with disadvantaged students in Peoria, and the University provides specific scholarships for Negroes. Northwestern University stressed the importance of its various clinics both in Evanston and in Chicago.

George Williams College has devoted considerable energy to increasing "understanding between students, faculty, and community residents, particularly as Negro students, staff, and faculty test their acceptance." Barat College noted that its summer Upward Bound program and its Negro students have brought a new social consciousness to its community. The Sociology Department of the College of St. Francis has participated in the local community's human relations program. Wheaton College suggested that its college code of behavior extends into the community.

Monmouth College reported that many of its students do volunteer work in its community. At Trinity College, each upper-class student is responsible for one or two hours per week in contributed services to community churches or other charitable organizations. St. Xavier College provides cultural arts and remedial work for elementary school children on Saturdays.

While the economic impact of payrolls and other spending was generally noted, Eureka, Lake Forest, MacMurray, and McKendree Colleges specifically stated that they are the largest industry in their respective communities, and Principia College observed that it is the largest single business in its county.

Institutional Strengths

The institutions identified a number of important characteristics as specific strengths. Most frequently mentioned was the institution's faculty which, in most instances, was described as being devoted to teaching. The second most frequently mentioned strength was the college's educational philosophy, its values, or its particular purposes. Many institutions cited their willingness to innovate as a strength, often alluding to modification of the academic calendar or a distinctive course offering or program as examples. A number of institutions suggested that, for a variety of reasons, their students are one of their chief assets, while others mentioned the campus, library or other facilities. A few mentioned their location as a particular strength, but only one or two cited their financial condition as a strength.

The following are the more frequently mentioned characteristics:

	Number of institutions
The institution's faculty	17
Educational philosophy, values or purposes	13
Willingness to innovate	10
The institution's students	9
Good relationships between faculty and students	8
Physical plant, campus, library	8
Strong departments, schools or programs	7
Location	5
Size	4
Faculty-student ratio	2

At Bradley University, the ease and speed with which major decisions can be made and implemented was cited as a specific strength. DePaul University noted that its tight organization allows efforts and resources to be channeled toward educational purposes. Knox College also cited its "independence and autonomy" as a major strength.

Loyola University described itself as an "urban university designed to serve the needs of the city," and mentioned that 80 per cent of its students come from and remain in the Chicago area. Elmhurst College stated that its modern student personnel program is an important strength, while Eureka College cited its strong foundation of tradition and service. Illinois College mentioned the professional success of its alumni; Monmouth College mentioned interinstitutional cooperation as one of its strengths.

Augustana College referred to its sense of institutional identity as providing a particular character and direction for its work. It also cited improved faculty and administrative salaries and local financial support. Aurora College also noted that it received generous support from industry and leading citizens. Blackburn College stressed its work program which involves students directly in the life of the college, and mentioned its aggressive investment policies.

Several of the junior colleges mentioned their concern for the individual student as a particular strength. Central YMCA Community College reported that it intends "to be relevant to the needs of the individual in the community," and it offers "a second chance or even third chance to people who have previously been unsuccessful as students."

Felician College saw its clearly defined objectives and competent faculty as two of its strengths. Kendall College has developed an effective counseling program, and has implemented the small group process in both counseling and instructional work. Monticello College stated that its "24-hour responsibility is also a 24-hour opportunity to teach values and character." And Trinity Christian College cited the support it receives from its church constituency as one of its specific strengths.

Summary

Some of the diversity among the private institutions in Illinois has been illustrated by the information presented in this appendix. In addition to a brief treatment of the origins and growth of the colleges and universities, their role and characteristics have been traced briefly. A number of their varied contributions have been indicated as well.

The Academic Status of the Private Institutions

The Commission has observed in the text of this report that quality in higher education is not easy to evaluate. Yet most institutions do have reputations, sometimes not justified by the facts, as being "good," "adequate," "strong," or "weak."

American higher education is characterized by its diversity of control, institutional purpose, size, and academic status. There are wide differences among institutions in ability and preparation of both student bodies and faculties. Equally sharp differences are found also in institutional resources, management, and educational purposes. With such diversity, it is difficult indeed to attempt to assess quality in higher education. Despite these obvious limitations, attempts are made to compare one institution with another. Prospective students, their parents, prospective faculty members, potential donors, accrediting agencies, site visitation teams, and many others join in the attempt to evaluate institutions.

Subjective measures of status are frequently made. The Cartter study of graduate education, for example, showed a close correlation among subjective ratings of graduate schools and departments by scholars in many academic disciplines.* These ratings by individuals were quantified by aggregation, and used to produce a rank order of "quality" of schools and departments. Few, if any, similar attempts have been made to rank entire institutions, particularly undergraduate colleges.

As the Commission studied the academic status of the private institutions in Illinois, it found large variations among the colleges and universities when they are ranked on some of the factors relating to students, faculty, and libraries which are frequently used

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*Cartter, Allan M., *An Assessment of Quality in Graduate Education.* (Washington: American Council on Education, 1966.)

as indices of academic status. This appendix summarizes some of the results of this study.

Attention was centered on the nine universities and 38 four-year colleges which offer baccalaureate degrees. The junior colleges and the specialized institutions were not included. Data on the several variables considered were not uniformly available for all 47 institutions. Thus, the number of institutions varies in each of the tables which follow. And the presentations are not restricted to the institutions which were included in the summary of historical and financial data in Appendix B.

Students

As pointed out in the text of the report, institutions should be judged by their attainment of appropriate educational objectives rather than by uniform standards. It is possible for a college which attracts students with only modest scholastic aptitude to attain excellence in meeting their needs. Yet a student of high ability would probably choose a college with a student body generally commensurate with his own level of aptitude and one with high scholastic standards. A "good" college for one student might be an "inappropriate" institution for another. The ability levels of the student bodies is important information to have at hand in choosing a college or university.

Table D-1

AVERAGE FRESHMAN VERBAL AND MATHEMATICAL SCORES ON THE SCHOLASTIC APTITUDE TEST IN 1967

Average Scores	Number of Institutions	
	Verbal	Mathematical
Above 650	1	1
600-649	3	5
550-599	4	4
500-549	11	13
450-499	6	1
Below 450	1	2

Source: Institutional reports to the Commission.

Several measures of institutional selectivity in terms of student academic aptitudes were explored. Average freshman verbal and mathematical scores on the Scholastic Aptitude Test in 1967 are reported in Table D-1. The range of average verbal scores was from 672 to 446; the range of average mathematical scores was from 665 to 445. The national mean scores on these tests are approximately 500, and the scores of two-thirds of all students tested tend to fall within the range of 600 to 400.

The number of Illinois State Scholarship winners as a percentage of the number of full-time equivalent freshmen in 1967 is shown in Table D-2. The range is from 55 per cent at one institution to one per cent at another. The variation among institutions with respect to the proportions of Illinois residents enrolled obviously affects this relationship.

Table D-2

ILLINOIS STATE SCHOLARSHIP WINNERS AS PERCENTAGE OF FULL-TIME EQUIVALENT FRESHMEN IN 1967

Percentage	Number of Institutions
50-55	2
40-49	0
30-39	5
20-29	8
10-19	12
1- 9	15

A comparison of the number of State Scholarship winners with the number of State Grant recipients at each institution yields interesting results. The State Scholarships are competitive. They are awarded on the basis of academic ability and attainment. Grants are made available to any student enrolled in an approved institution of higher education in the State. There are nine times as many scholarship winners as grant recipients at one institution in 1968-69. Fifteen other institutions have more (or at least as many) scholarship winners than grant recipients, while at nine the ratio was less than 0.2. The ratio at all private institutions is 0.84.

Table D-3

RATIO OF NUMBER OF STATE SCHOLARSHIP WINNERS TO NUMBER OF STATE GRANT RECIPIENTS IN 1968-69

Ratio	Number of Institutions
Above 2.00	5
1.00-1.99	11
0.80-0.99	3
0.60-0.79	4
0.40-0.59	6
0.20-0.39	7
0-0.19	9

The data in this table must be interpreted with care since many factors other than attractiveness of institutions to scholarship winners are at work. Nevertheless, these ratios do suggest the variation in such attractiveness to students of high ability.

Table D-4

RATIO OF NUMBER OF NATIONAL MERIT SCHOLARSHIP QUALIFYING TEST PARTICIPANTS WITH HIGH ABILITY SCORES TO NUMBER OF ACTUAL FRESHMEN ENROLLED IN FALL 1964

Ratio	Number of Institutions
0.80-0.89	2
0.70-0.79	0
0.60-0.69	1
0.50-0.59	3
0.40-0.49	3
0.30-0.39	6
0.20-0.29	3
0.10-0.19	14
0.01-0.09	6

Source: Nichols, Robert E., *College Preferences of Eleventh Grade Students.* National Merit Scholarship Corporation Research Reports, Vol. 2, No. 9, 1966. The report observes that this index may be "the best single indicator of college selectivity." (Not all test participants enrolled in the institution which they initially indicated.)

Another measure of the relative attractiveness of individual institutions to able students is provided by the number of National Merit Scholarship Qualifying Test participants with high scores (that is, scores above 113) who initially indicated a particular Illinois college or university as their first choice. Table D-4 presents an index of the number of those Test participants divided by the actual number of freshmen enrolled in the fall of 1964 in 38 institutions. The average ratio for all 38 is 0.25.

Faculty

One of the common measures of an institution's academic status is the percentage of its faculty who hold earned doctorates. Data for 47 colleges and universities are reported in Table D-5.

Table D-5

PER CENT OF FACULTY HOLDING EARNED DOCTORATES IN 1967

Per Cent	Number of Institutions
Above 80	1
70-79	1
60-69	4
50-59	1
40-49	8
30-39	12
20-29	15
10-19	4
Less than 10	1

Source: United States Office of Education, Higher Education General Information Survey, Fall 1967. In a few instances, data were compiled from institutional bulletins.

The level of average faculty salaries has been noted on several occasions in the text of the report. Table D-6 shows the average salaries for professors and associate professors for the academic year 1967-68 as reported by 35 institutions.

Table D-6

AVERAGE SALARIES FOR PROFESSORS AND ASSOCIATE PROFESSORS IN 1967-68

Average Salaries	Number of Institutions: Professors	Number of Institutions: Associate Professors
Over $20,000	1	—
$18,000-19,999	1	—
16,000-17,999	3	—
14,000-15,999	1	2
12,000-13,999	13	4
10,000-11,999	8	10
8,000- 9,999	8	15
Less than $8,000	—	4

The low level of faculty salaries is also evident in the AAUP salary grades reported for both average compensation and minimum compensation for 1967-68. Table D-7 summarizes this information for 26 institutions which participated in the salary survey that year.

Table D-7

AAUP SALARY GRADES FOR AVERAGE AND MINIMUM COMPENSATION IN 1967-68

Salary Grades: Average Compensation	Salary Grades: Minimum Compensation	Number of Institutions
A	AA	1
A	A	2
A	B	1
B	B	1
C	B	4
C	C	8
D	C	3
D	D	3
E	C	1
E	D	2

The number of faculty members in relation to the size of the student body is often considered another important element in indicating an institution's academic status. The faculty-student ratios at 38 institutions are shown in Table D-8. They range from a low ratio of 1:6 to a high ratio of 1:25. Generally, a lower ratio is deemed to be more desirable educationally than a higher ratio. (It must be recognized in this instance, as in the case of other indices, that there is little evidence of the relationship of faculty-student ratios to students' attainment. In fact, some writers have urged colleges to adopt relatively high ratios as a means of supporting higher faculty salaries and thus attracting better-qualified faculty.)

Table D-8

FACULTY-STUDENT RATIOS IN 1967-68

Ratio	Number of Institutions
1:6 to 1:8	4
1:10 to 1:11	4
1:12 to 1:13	6
1:14 to 1:15	10
1:16 to 1:17	10
1:18 to 1:19	3
Over 1:20	1

Libraries

The library of a college or university represents a central element of its scholarly and research endeavor. Recent standards of the Association of College and Research Libraries for smaller colleges suggest that "no library can be expected to give effective support to the instructional program if it contains less than 50,000 carefully chosen volumes." The Association also recommends that for every 200 students over 600 the library should contain an additional 10,000 volumes. Using this general formula and an institution's full-time equivalent enrollment, it is possible to calculate the number of volumes an institution should have, and to rank institutions on how closely their collections match the standards. Twenty-two of 37 institutions were at or above the standard in 1967, while 15 were below.

A close approximation to this ranking is provided by the simple calculation of the number of volumes per full-time equivalent student. These data for 37 institutions are summarized in Table D-9.

Table D-9

LIBRARY VOLUMES PER FULL-TIME EQUIVALENT STUDENT IN 1967

Volumes per Student	Number of Institutions
150 and over	3
125 to 149	0
100 to 124	5
75 to 99	13
50 to 74	9
25 to 49	6
Less than 25	1

In addition to the number of volumes held, library expenditures per full-time equivalent student provide a general index of the adequacy of library collections. Table D-10 summarizes the 1967-68 library expenditures per student for all library services and acquisitions.

Table D-10

TOTAL LIBRARY EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT IN 1967-68

Expenditure per Student	Number of Institutions
Over $300	1
$200-299	2
150-199	1
125-149	3
100-124	8
75- 99	9
50- 74	13
Less than $50	2

Summary

The foregoing tables show the wide variations among the private colleges and universities on factors which are often used as indices of academic status. They do not disclose the position of individual institutions. To provide an indication of the variations among the institutions, the following Table D-11 presents the rankings of 33 colleges and universities on six factors.

The table is followed by eight charts which depict institutional profiles on several of the factors discussed in this appendix. Base-line norms in the profiles were arbitrarily chosen but follow what seems reasonable in each case. For example, the base-line for average salary of professors was set at $14,890 to reflect an AAUP "B" rating for average base salary exclusive of fringe benefits; the Scholastic Aptitude Test scores of 500 approximate the national mean scores.

The eight institutions for which profiles are presented were selected to illustrate institutions which rank high, and those which rank low, on almost all indices as well as those which are in a middle range, higher on some scales and lower on others.

While no attempt has been made to develop a single rank order of institutional academic status, it is evident that there is substantial need to improve the quality of educational opportunities among the private institutions in Illinois.

Table D-11

RANKING OF PRIVATE INSTITUTIONS ON SELECTED FACTORS ORDINARILY USED AS INDICATIVE OF ACADEMIC STATUS

Institution	Per Cent of Faculty with Doctorates 1967-68	Average Salaries of Professors 1967-68	Faculty-Student Ratio 1967-68	Library Expenditures per FTE Student 1967-68	Average SAT Verbal Scores 1967-68	Per Cent of Freshmen Receiving State Scholarships 1967-68
A	1	1	1	1	1	9
B	2	4	5	13	4	24.5
C	3	5	2	9	9	2
D	4	3	15	11	7	1
E	5	2	6.5	3	3	6
F	6	12	11.5	11	10	7
G	7	6	24	19.5	14	8
H	8	20	13	4	19	3
I	9	16	20	14.5	23	20
J	10	9	30	24.5	—	26.5
K	11	11	24	31.5	24	12
L	12	14	6.5	7.5	12	29.5
M	13	17	17	29.5	15.5	—
N	14	21	3	11	11	24.5
O	15	10	27	28	22	14
P	16	—	11.5	6	2	17.5
Q	17	19	9	26.5	5	15
R	18	27	4	9	6	11
S	19	13	17	31.5	15.5	20
T	20	8	9	5	25	29.5
U	21	29	21	19.5	17	5
V	22	15	31	23	21	13
W	23	28	24	7.5	—	26.5
X	24	24	28	18	18	23
Y	25	26	24	14.5	—	32
Z	26	25	17	2	27	29.5
AA	27	7	29	24.5	—	17.5
BB	28	22	14	17	8	4
CC	29	30	32	29.5	—	29.5
DD	30	18	9	26.5	20	7
EE	31	32	24	21	26	20
FF	32	31	19	22	—	16
GG	33	23	—	16	13	10

Chart D-1

INSTITUTIONAL PROFILES ON SELECTED FACTORS ORDINARILY USED AS INDICATIVE OF ACADEMIC STATUS

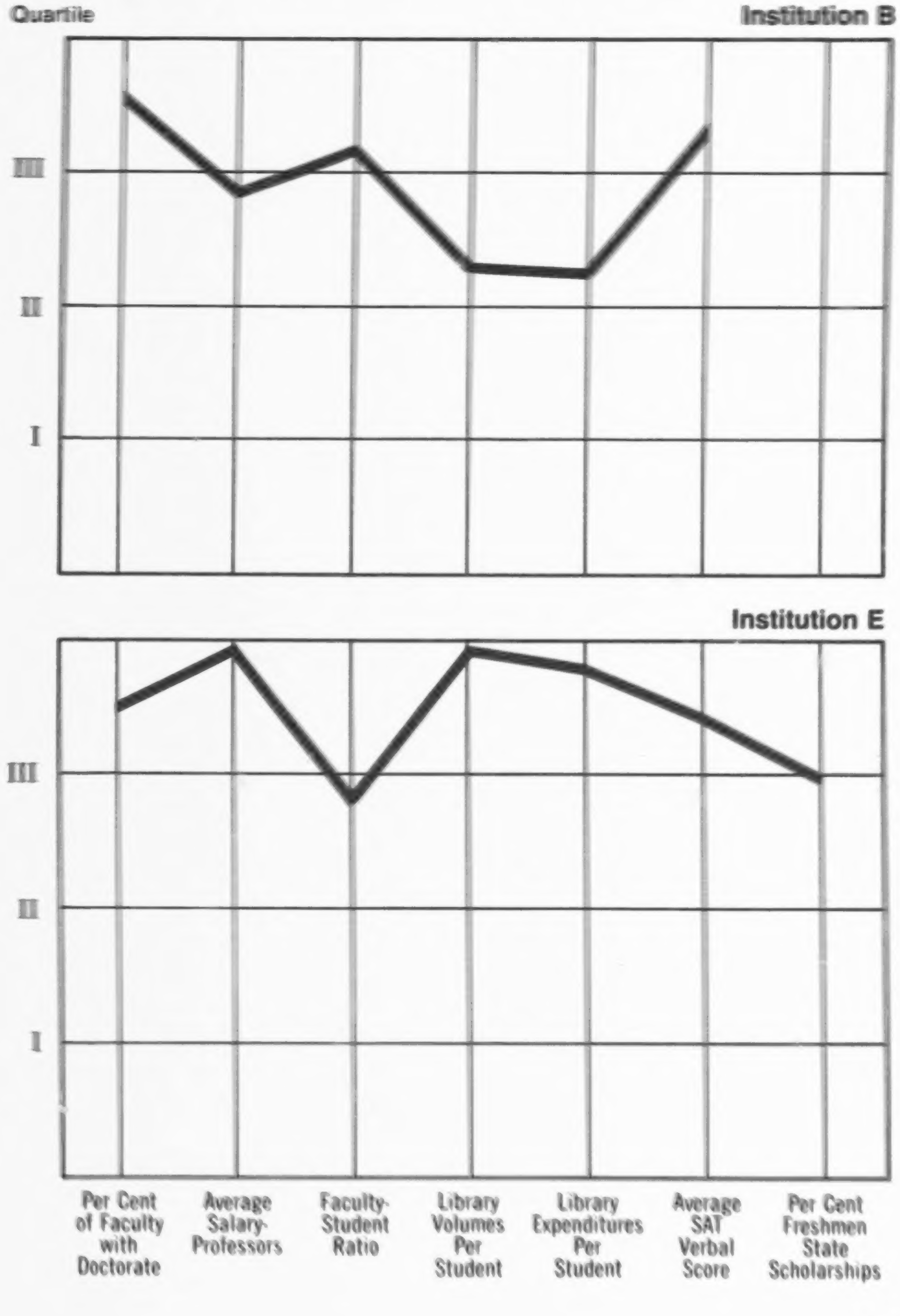


Chart D-1

INSTITUTIONAL PROFILES ON SELECTED FACTORS ORDINARILY USED AS INDICATIVE OF ACADEMIC STATUS

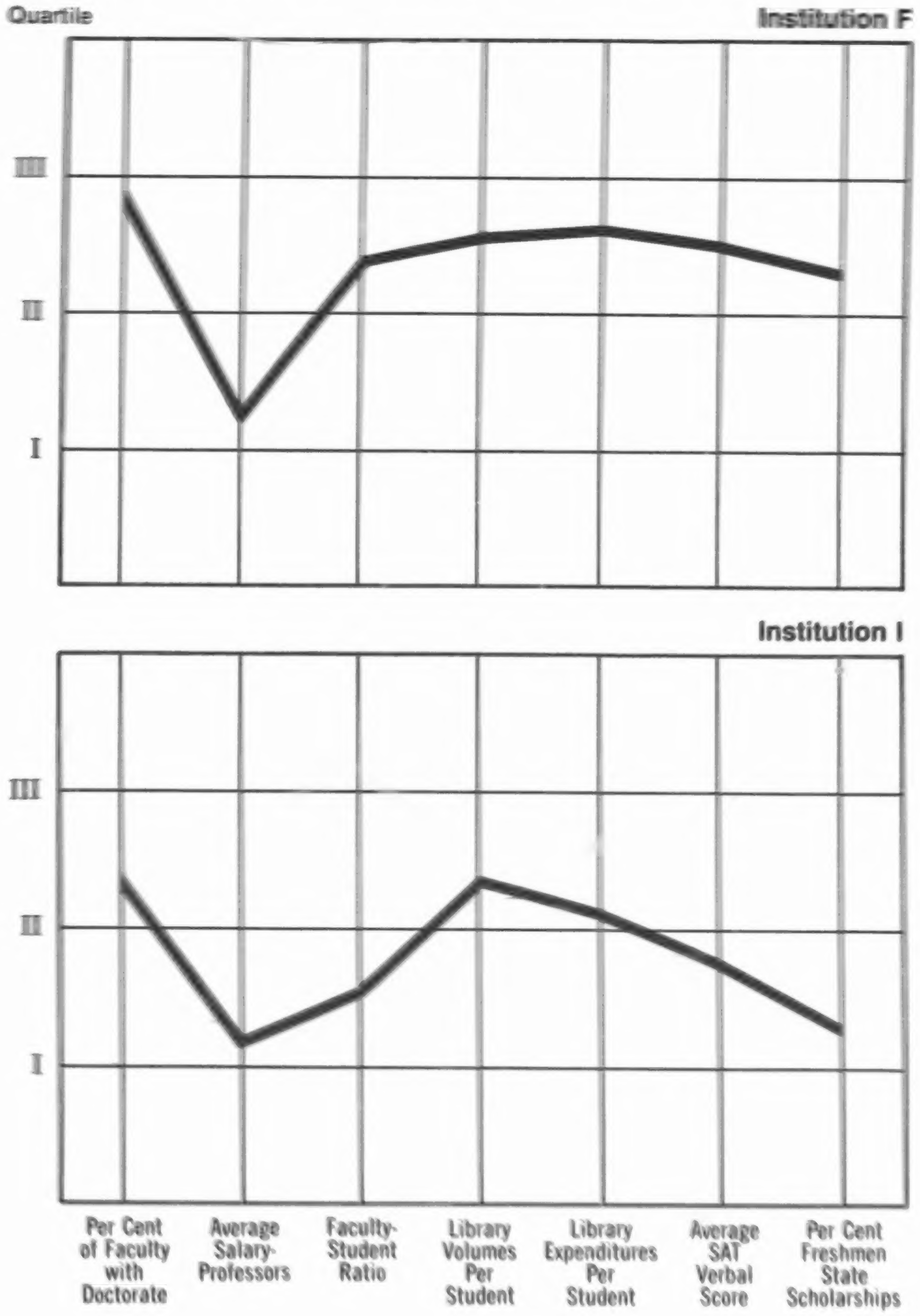
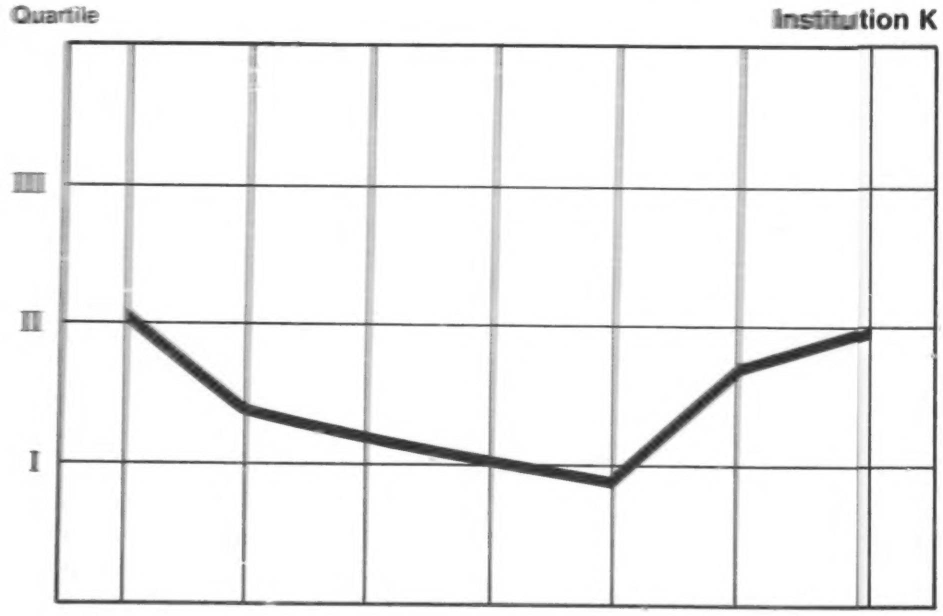


Chart D-1

INSTITUTIONAL PROFILES ON SELECTED FACTORS ORDINARILY USED AS INDICATIVE OF ACADEMIC STATUS

Institution K



Institution V

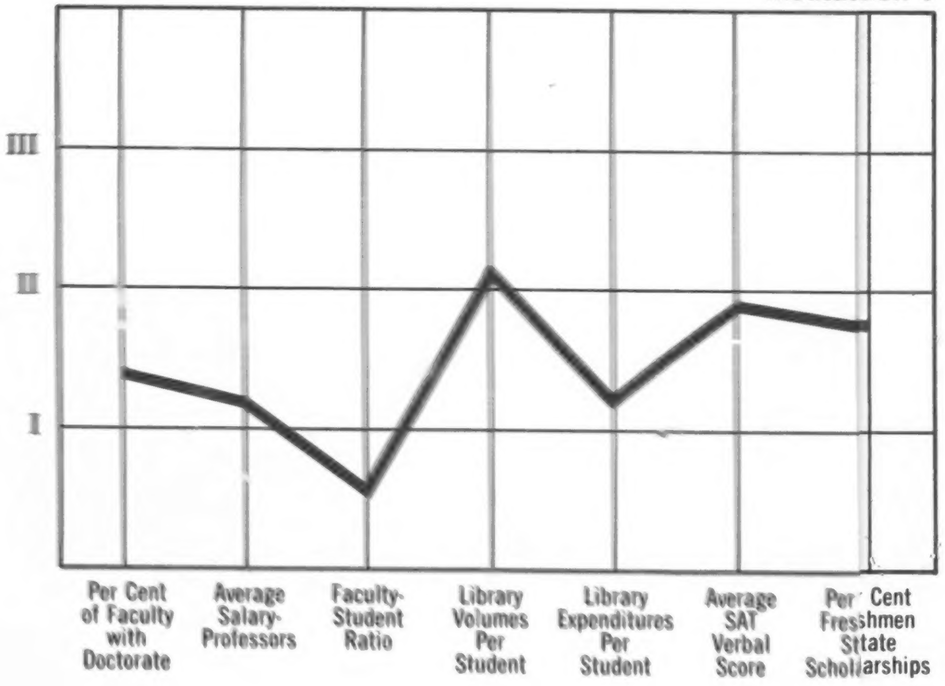
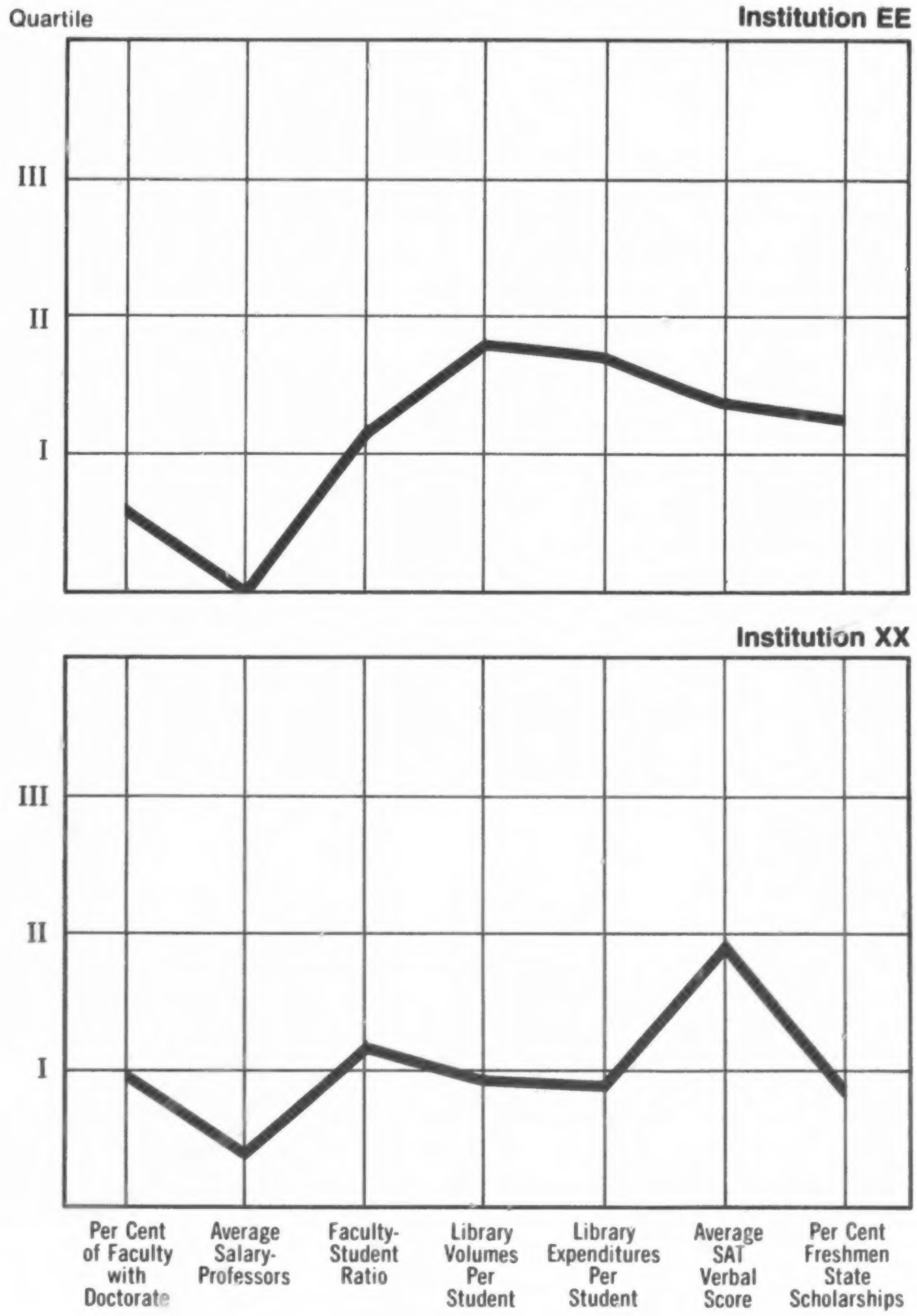


Chart D-1

INSTITUTIONAL PROFILES ON SELECTED FACTORS ORDINARILY USED AS INDICATIVE OF ACADEMIC STATUS



Physical Plant Survey

As part of its study of the private sector of higher education in Illinois, the Commission retained a management consulting firm to make a study of physical facilities, maintenance appropriations, and deferred maintenance at a group of the private colleges and universities in the State. Twelve institutions were invited to participate in this survey. Eleven of them, four universities and seven colleges, found it possible to do so.

The consultant was asked to appraise the general condition of physical plant and the adequacy of normal day-to-day housekeeping at each institution, and to estimate the nature, extent, and approximate cost of any necessary maintenance work which had been deferred beyond a 12-month period. The following summary has been abstracted from the consultant's report.

Deferred Maintenance

Deferred maintenance was defined as neglect stemming from lack of repairs, poor janitorial care, heavy usage, abuse from people or weather, and passage of time leading to new functional needs or to different standards of performance. As pointed out in the text, two major classifications of deferred maintenance were developed: repair and remodeling. "Repair" was defined as work necessary to restore a facility to satisfactory operational status for the same usage and/or quality level as originally intended, and "remodeling" as work necessary to upgrade the basic structure or facility to meet present-day requirements for the same usage or to change its status to a new usage. Needs for expansion, demolition, or addition were also estimated; these needs, however, are not included in this summary. In establishing qualitative levels for evaluation, a standard of adequacy which was functional but not necessarily the most modern was used.

Taking into account the age and use of each building or facility, the consultant concluded that a considerable amount of deferred maintenance existed at the 11 institutions. The following table summarizes the findings at each one. It shows a total of $1,223,600 of required repair work, and $5,490,700 of remodeling work. The remodeling category was then divided into two segments. The first, modernization, included the estimated cost of bringing buildings to satisfactory condition for present-day levels of originally-intended use, and was estimated at $2,929,700. The second, conversion, included the cost necessary to bring buildings to satisfactory condition for present-day uses which differed from original use; this cost was estimated at $2,561,000.

Table E-1 also shows the average age of buildings at each institution. The consultant observed that data on age provide only a small clue to the adequacy of required repair and remodeling work but do tend to suggest a frame of reference since, even with excellent maintenance, regression occurs due to obsolescence.

The amount of deferred maintenance was related to the estimated current replacement cost of buildings and building equipment as one

Table E-1

DEFERRED MAINTENANCE AT ELEVEN PRIVATE INSTITUTIONS

Institution	Average Age of Buildings (years)	Estimated Cost of Deferred Maintenance		Deferred Maintenance as Per cent of Estimated Replacement Cost of Buildings
		Repair	Remodeling	
A	45	$ 115,600	$ 834,000	23.2
B	53	78,700	728,000	61.2
C	–	39,800	152,500	–
D	72	81,000	125,700	11.6
E	34	32,400	129,000	2.4
F	39	558,400	1,438,500	–
G	12	39,000	–	0.6
H	39	44,500	1,230,000	9.4
I	66	84,500	25,000	0.3
J	22	101,700	256,000	5.0
K	31	48,000	572,000	–
	Total	$1,223,600	$5,490,700	

The coding of institutions in this table is independent of coding employed in Table XIV of the text and in Table D-11 in Appendix D.

measure of present condition of plant. The fourth column of the table presents this ratio at eight institutions. It shows that deferred maintenance at three of them exceeds 10 per cent of replacement cost; the percentage at one is over 60.

The consultant's evaluation led to the suggestion of the following reasons for deferred maintenance:

1. Insufficient information is provided to most boards of trustees relative to physical plant and maintenance.
2. Long-range maintenance plans, properly coordinated in all aspects, are often lacking.
3. Effective cost accounting and management information systems are not utilized to insure that maintenance funds are properly used to avoid or minimize future maintenance problems and are not diverted to other purposes.
4. Plant management practices are inadequate in many instances and do not assure a full measure of performance for the maintenance funds expended.
5. Only a few institutions have taken steps to improve the quality of administrative direction and control of physical plant. Most institutions could benefit from professional assistance in this area.
6. Guidance to, and supervision of, architectural design and contractor's performance on new buildings is frequently insufficient, resulting in physical conditions which increase annual maintenance and operating costs. Most institutions need assistance in this respect as well.

The consultant noted that, where major deferred maintenance was found, there was no formal evidence of programs of proposed long-term corrective action. Informal programs were often mentioned, but they seemed not to be supported by systematic planning. It appeared that many, though not all, situations of deferred maintenance were the consequence of a belief that normal maintenance funds would be wasted on a particular facility because expected replacement or remodeling might be anticipated within two to five years. However, in only a few instances was the planning specific enough to give credence to the time tables which were indicated.

3

Condition of Physical Plant

The consultant appraised the present condition of physical plant on the basis of the level of maintenance and custodial care provided as well as the basic soundness of the plant for its intended function. A range of evaluation rather than a single over-all rating was presented, in order to take age of facilities and status of deferred maintenance into account.

Table E-2

ESTIMATE OF PRESENT CONDITION OF PHYSICAL PLANTS

Range of Condition	Number of Institutions
Excellent to good	1
Excellent to fair	3
Good to fair	2
Good to poor	4
Fair	1

In estimating the probable future condition of plant, the consultant concluded that both improvement and decline from present condition could be anticipated. The condition at six of the institutions was expected to improve some 10 to 20 per cent over the next two to five years. Declines up to 20 per cent were likely at three institutions, and no change was expected at two. These conclusions were based on several considerations including the amount of deferred maintenance, anticipated maintenance budgets, projects planned for future mantenance appropriations, quality of present management practices, anticipated new construction, and extent of long-range planning.

Day-to-day Maintenance and Custodial Care

Judgments by members of the survey team and expressions of levels of satisfaction by faculty members and administrative staffs provided an evaluation of the adequacy of day-to-day maintenance and custodial care at the 11 institutions. These judgments were generally related to quality, timeliness, and cost of repair services and to quality of custodial work. While there was good approximate agreement among the three ratings of custodial services, the agreement was not quite as close in the rating of day-to-day maintenance and repair. Levels of satisfaction were reported as good or better at six institutions, and fair or poor at five.

Appraisal of Management Practices

Although the original plans for the field survey had not specifically included an appraisal of management practices, it was possible for the consultant to provide an estimate of the adequacy of management at each institution. The estimate was based on the simple fact of existence of a series of modern techniques of maintenance management. No attempt was made to evaluate the effectiveness of the practices actually in use, however. Twelve modern practices related to management were identified:

Preventive maintenance inspections and simultaneous repair

Annual repair audit

Regular assignment of duties for custodial work

Regular schedules assigned for custodial work

Useful cost control information

System of repair requisitions

Periodic appraisal of extent of repair backlog

Coordination of architectural specifications in new construction

Technical coordination during new construction

Technical competence of supervision of maintenance and custodial services

Carefully formulated budget requests

Formal organization chart showing lines of responsibility and authority

The consultant's evaluation of management practices is summarized in Table E-3.

Table E-3

EVALUATION OF MANAGEMENT PRACTICES

Management Practices Rating	Number of Institutions	Corresponding Levels of Satisfaction
Excellent	1	1 Good
Good	3	3 Good
Fair	1	1 Fair
Poor	6	1 Good, 4 Fair, 1 Poor

The management practices ratings and the levels of satisfaction with day-to-day maintenance and custodial care correlated rather well as shown in the last column of Table E-3. For example, the level of satisfaction with day-to-day care was good at the one institution at which management practice was rated as excellent, and at the three at which the rating was good.

Architectural and Engineering Features

The consultant expressed concern over a number of instances in which poor building design or construction of new facilities had increased subsequent repair and custodial costs. Prominent among these was the placement of roof drainage to avoid water damage. In addition, types of floor finishes, sound and vibration dampening devices, interior wall facings, and drainage to relieve water pressure on exterior retaining walls often were poorly specified and frequently required extensive subsequent repair. These findings led to the recommendation that improved controls over architectural specifications and contractor's performance in new construction were important.

Summary

The field survey emphasized the seriousness of the deferred maintenance problem at the private institutions in Illinois. As noted in the text, the Commission accepted the results of the survey as evidence of a disguised weakness in the current financial situation of the institutions, and of need to improve management practices as well.

Long-Range Planning Project

Fifteen institutions participated in the Commission's long-range planning project. The three universities, nine colleges, and three junior colleges are a reasonable sample of the private sector of higher ducation in Illinois. Two are relatively large, complex institutions, one of which offers studies through the doctoral level. Six are among the larger liberal arts institutions which offer undergraduate and some graduate studies; two are moderately sized, and two are small, undergraduate colleges. All but one are co-educational. Among the 15, there is a satisfactory range of proportions of Illinois residents enrolled, and of institutional control and sponsorship.

These institutions account for over one-fourth of the enrollments in all private institutions in the State, and something less than one-fifth of the annual operating budgets of all 60 private colleges, universities, and junior colleges. The participants accepted responsibility for the planning project willingly and were thorough in their planning. Within the framework which the Commission provided, they prepared careful and comprehensive reports. The Commission is grateful for their cooperation,

The dimensions and scope of the planning project have been described in general terms in the text of the report and are not repeated here. Rather, this appendix will present some of the statistical data for the 15 institutions considered as a group and for the institutions individually. The latter presentation will illustrate the diversity and individuality of institutional planning which were mentioned in the text.

Table F-1 summarizes the plans of all 15 instiutions. For each of seven variables, it shows a total or an average for the base year, 1967-68, and for each of the two planning years, 1972-73 and 1977-78. It reports an index number (1967-68 = 100) for each planning year to reflect the over-all increase, and also shows the compound annual rate of increase over the respective five- and ten-year planning periods.

Weighted averages based on full-time equivalent enrollments were calculated for tuition and fees and for educational and general expenditures. The faculty figures are medians of reported averages by ranks at the individual institutions. Tuition and fee data are stated charges and in this sense are gross rather than net rates. That is, they do not take account of student assistance, attrition or uncollected accounts. For this reason, a simple comparison between tuition rates and educational and general expenditures per full-time equivalent student is not appropriate.

Table F-1

SUMMARY OF LONG-RANGE PLANS OF FIFTEEN INSTITUTIONS FOR THE YEARS 1972-73 AND 1977-78

Planning Variable		1967-68	1972-73	1977-78
Enrollment	Number (FTE)	26,625	31,457	36,974
	Index	100	118	138
	Compound rate*		3.4	3.3
Tuition and fees	Weighted average	$1,275	$1,801	$2,275
	Index	100	141.5	174.5
	Compound rate		7.2	5.7
Full-time faculty	Number	1,440	1,700	1,931
	Index	100	118	134
	Compound rate		3.4	3.0
Salaries of professors	Median	$12,050	$16,740	$22,250
	Index	100	139	185
	Compound rate		7.0	6.3
Salaries of associate professors	Median	$ 9,874	$13,700	$17,650
	Index	100	139	179
	Compound rate		7.0	6.0
Library volumes	Number	1,237,000	1,804,000	2,513,000
	Index	100	146	203
	Compound rate		7.9	7.3
Educational and general expenditures	Weighted average per FTE	$1,455	$2,112	$2,510
	Index	100	145	173
	Compound rate		7.7	5.6

*Compound annual rate of increase over 1967-68.

The enrollment and staffing data in this table suggest changes in faculty-student ratios. Table F-2 reflects the planned changes in these ratios for both 1972-73 and 1977-78. It indicates that more of the institutions plan to increase the ratios than to reduce them.

Table F-2

PLANNED CHANGES IN FACULTY-STUDENT RATIOS

Institutions Planning to	By 1972-73	By 1977-78
Reduce the ratio	3	3
Maintain the ratio	4	3
Increase the ratio	8	9

Substantial increases in student assistance funds were planned by the 15 institutions. Total assistance funds for 1967-68 were reported to be $7.6 million. Projected requirements for 1972-73 were $14.1 million, and $22.8 million for 1977-78. As noted in the text, these increases were somewhat larger than the projected increases in total tuition revenues.

Gifts for current operations were $3.5 millions in the base year. It was projected that they would increase to $5.0 million in 1972-73, and to $6.9 million in 1977-78

Total outlays of $136.7 million over the ten-year period were projected for academic and other facilities at the 15 campuses. These capital expenditures are reported in Table F-3.

Some of the relevant projections of the individual institutions are shown in Tables F-4 and F-5. The nine columns of these tables

Table F-3

PROJECTED CAPITAL EXPENDITURES
(In millions)

	1968-69 through 1972-73	1973-74 through 1977-78
Academic facilities	$41.8	$27.8
Residences and other non-academic facilities	33.4	33.7
Total expenditures	$75.2	$61.5

reflect the variations in individual planning and outcome for 1972-73 and 1977-78 respectively. It will be noted that some of the institutions indicated balanced budgets or surpluses for one or both years. Most of the institutions, however, projected sizable deficits. In 1977-78, the deficits ranged from 4.1 to 12.1 per cent of current fund revenue.

The tables report the compound annual rates of change in each of six variables over the respective five- and ten-year periods. They also indicate the planned faculty-student ratios for 1972-73 and 1977-78, the educational and general expenditures per full-time equivalent student for both years, and the projected surplus or deficit in educational and general, auxiliary enterprise, and student aid accounts as a percentage of current fund revenue.

Summary

The Commission concluded that the institutions had prepared thorough and careful plans which could reasonably be accepted as indicative of the future of the institutions. If the plans are accepted at face value, they add substance to the conclusion that deficits in current fund operations will become the rule rather than the exception in the near future. In addition, as the text points out, the results of the planning project provided the basis for the Commission's estimate of the probable range of these deficits over the five- and ten-year planning periods.

Table F-4

SUMMARY OF INSTITUTIONAL PROJECTIONS

Compound Annual Rates of Change from 1967-68 to 1972-73

Institution	FTE Enrollment	Tuition and Fees	Faculty–Student Ratio 1972-73	Full-Time Faculty	Average Salary–Professors	Library Volumes	E & G Expends. per FTE	E & G Expends. per FTE 1972-73	Projected Surplus or Deficit*
A	2.5	7.9	1:16	4.9	8.1	8.6	13.5	$2,294	– 8.1
B	3.2	7.7	1:18	2.8	7.1	10.3	6.8	1,663	– 4.0
C	4.9	10.9	1:15	6.0	7.7	6.7	10.0	3,006	–12.9
D	2.1	8.1	1:15	2.3	7.4	12.1	7.4	2,345	– .7
E	7.1	5.7	1:11	7.4	5.7	5.9	2.6	2,920	– 5.1
F	3.0	2.3	1:14	3.2	2.8	2.8	2.1	2,150	– .6
G	2.3	5.9	1:18	3.0	5.5	7.3	9.0	1,692	2.9
H	3.9	6.0	1:16	.5	4.9	5.9	1.9	2,336	5.0
I	3.5	4.6	1:17.4	1.9	6.5	7.7	5.4	2,345	– 1.3
J	3.9	7.9	1:17	—	6.2	4.4	9.4	2,633	– 6.3
K	8.7	12.1	1:19	6.7	9.6	10.4	10.7	3,359	2.5
L	5.7	5.9	1:15.6	4.1	—	—	2.8	2,921	0
M	5.4	6.2	1:23	1.5	9.0	25.6	6.0	1,106	– 2.0
N	5.2	2.3	1:15	4.9	7.9	12.5	3.4	1,967	– 4.0
O	—	4.1	1:19	1.5	4.7	7.5	15.7	1,442	–20.5

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*Surplus or deficit in educational and general, auxiliary enterprise, and student assistance funds as per cent of revenue. The coding of institutions in this table and Table F-5 is independent of the coding employed in Tables D-11 and E-1.

Table F-5

SUMMARY OF INSTITUTIONAL PROJECTIONS

Compound Annual Rates of Change from 1967-68 to 1977-78

Institution	FTE Enrollment	Tuition and Fees	Faculty–Student Ratio 1977-78	Full-Time Faculty	Average Salary–Professors	Library Volumes	E & G Expends. per FTE	E & G Expends. per FTE 1977-78	Projected Surplus or Deficit*
A	2.6	8.0	1:15	3.5	7.3	9.6	9.4	$3,000	– 4.1
B	3.4	5.5	1:18	3.2	7.0	8.6	5.5	2,049	– 8.1
C	2.8	8.4	1:15	3.5	7.4	6.5	7.6	3,918	–12.1
D	2.8	7.3	1:16	2.3	7.2	9.9	4.7	2,600	9.2
E	4.3	3.9	1:12	3.6	4.8	6.3	3.0	3,457	– 6.1
F	2.4	2.0	1:14	2.6	2.6	3.2	2.0	2,365	1.6
G	4.4	6.1	1:18	5.0	6.3	10.3	6.3	2,033	7.8
H	3.9	5.4	1:18	1.0	3.9	5.0	1.8	2,508	3.8
I	3.0	3.7	1:18	2.6	6.3	6.5	4.9	2,903	– 9.2
J	2.2	6.3	1:18.7	.3	6.1	4.2	7.1	3,317	– 9.7
K	6.6	8.2	1:21	4.5	7.2	10.4	5.3	3,404	.8
L	5.5	3.7	1:16.4	4.1	5.4	—	1.7	2,980	0
M	4.6	4.5	1:22	3.0	6.6	21.9	4.6	1,296	– 4.9
N	4.1	2.1	1:15	4.1	6.7	11.3	3.0	2,241	– 6.0
O	—	3.1	1:19	2.2	4.7	5.3	6.1	1,257	– 4.1

*Surplus or deficit in educational and general, auxiliary enterprise, and student assistance funds as per cent of revenue.

APPENDIX G

Economic and Tax Base of the State of Illinois

Illinois is one of the wealthiest states in the nation. Its economy is strong and prosperous, and its rate of economic growth is substantial. In a number of respects, rates of change in economic variables in Illinois have been slightly less than comparable rates in the United States as a whole, but these differences have not been sufficiently large to change Illinois' high economic rank among all the states.

The following sections of Appendix F summarize the more relevant facts about the economic and tax base of the State.

Population

The population of Illinois has grown in recent years but at a lesser rate than the national average. The national growth rate in the 1960's has been 1.7 per cent annually while the Illinois rate approximates 1.5 per cent. Estimates set the State's population for the first quarter of 1968 at 10,922,300. The rural to urban movement is clearly evident in Illinois. In fact, 80 per cent of the State's population now resides in or near a city, and 60 per cent of the population is in the Chicago Metropolitan area. Only 4.5 per cent of the people live on farms. As Table G-1 indicates, Illinois ranks fifth in population among the 50 states. By 1980 the population is expected to reach 12,880,000, a 17.9 per cent increase over 1968.

Table G-1

ESTIMATED POPULATION OF THE TEN MOST POPULOUS STATES

(As of January 1968)

State	Total Population	Rank
California	19,414,900	1
New York	18,398,100	2
Pennsylvania	11,630,200	3
Texas	10,945,600	4
Illinois	10,922,300	5
Ohio	10,513,200	6
Michigan	8,597,200	7
New Jersey	7,053,000	8
Florida	6,062,400	9
Massachusetts	5,430,200	10
United States	199,060,600	

Source: Standard Rate and Data Service, *Consumer Market Data Summary.* (Skokie, Ill. July 15, 1968.)

Personal Income

Among the relevant indicators of the State's economic status are total personal income and per capita personal income. Illinois ranks well on both indices. Total personal income is presented in Table G-2 and Table G-3 by selected regions and states for the years 1950 and 1960, as well as for 1965 through 1967. In 1967, personal income in Illinois totaled $40.6 billion, and, for the fourteenth consecutive year, Illinois ranked third in total personal income among the states. In 1967, only California with $70.1 billion, and New York with $68.3 billion, surpassed Illinois. Total personal income in Illinois increased at an average rate of 3.2 per cent per year between 1950 and 1967, compared with 3.3 per cent for the Great Lakes region and 3.8 per cent for the nation. The Great Lakes region represents 21.4 per cent of the total personal income of the United States. Illinois represents 6.54 per cent of the national total and almost one-third of the Great Lakes region.

Personal income in Illinois has tended to decline as a percentage of that for the United States. In 1930, Illinois accounted for 8.0 per cent of the national personal income; in 1940, 7.5 per cent; in

1950, 7.0 per cent; and in 1960, 6.7 per cent. During the 1960's it appears that the percentage has continued to decrease but at a slower rate, and since 1962 the Illinois percentage of the total has been stable at about 6.5 per cent.

Table G-4 shows per capita personal income in selected regions and states. In 1967, Illinois ranked third among the states in per capita personal income, preceded only by Connecticut, which is not shown, and New York. If the District of Columbia were considered separately, Illinois would rank fourth. Per capita personal income was 19 per cent above the $3,137 average income per person in the United States. Between 1950 and 1967, total per capita personal income in Illinois rose annually by 1.8 per cent as compared to the national increase of 2.1 per cent.

Table G-2

TOTAL PERSONAL INCOME BY SELECTED REGIONS AND STATES

(In millions of dollars)

	1950	1960	1965	1966	1967
United States	$226,214	$398,725	$534,816	$580,483	$620,568
Mid East	59,210	99,042	128,774	138,436	148,348
New York	27,841	46,281	59,499	63,669	68,315
Pennsylvania	16,189	25,395	31,855	34,434	36,624
Great Lakes	50,849	86,490	115,094	125,063	132,702
Illinois	15,948	26,718	35,133	38,089	40,575
Michigan	10,895	18,203	25,447	27,685	29,125
Ohio	12,930	22,729	29,139	31,670	33,590
Indiana	5,998	10,225	14,030	15,230	16,205
Wisconsin	5,078	8,615	11,345	12,390	13,208
Far West	26,578	54,477	75,415	82,045	88,559
California	19,774	42,980	60,006	65,002	70,097
Illinois rank among the 50 states	4	3	3	3	3

Source: U.S. Department of Commerce, Office of Business Economics, *Survey of Current Business.* (Washington D.C., U.S. Government Printing Office) April 1968, Volume 48, No. 4.

Civilian Work Force and Employment

In 1967, the civilian work force in Illinois was 4,899,900, or about 45 per cent of the State's population. Total employment was 4,738,600, and unemployment was only 3.1 per cent of the labor force.

The distribution of those employed by major industry categories is shown in Table G-5. Approximately 60 per cent are engaged in nonmanufacturing industries. The durable goods sector employs the largest number of individuals, followed by the retail and service industries. Government service accounts for over 12 per cent of all employment in the State. Only 3 per cent are engaged in agriculture.

Table G-3

TOTAL PERSONAL INCOME
BY SELECTED REGIONS AND STATES

(As a percentage of United States personal income)

	1950	1960	1965	1966	1967
United States	100.0	100.0	100.0	100.0	100.0
Mid East	26.2	24.8	24.1	23.8	23.9
New York	12.3	11.6	11.1	11.0	11.0
Pennsylvania	7.2	6.4	6.0	5.9	5.9
Great Lakes	22.5	21.7	21.5	21.5	21.4
Illinois	7.1	6.7	6.6	6.6	6.5
Michigan	4.8	4.6	4.8	4.8	4.7
Ohio	5.7	5.7	5.4	5.5	5.4
Indiana	2.6	2.6	2.6	2.6	2.6
Wisconsin	2.3	2.2	2.1	2.1	2.1
Far West	11.7	13.7	14.1	14.1	14.3
California	8.7	10.8	11.2	11.2	11.3
Illinois per cent of Great Lakes region	31.4	30.9	30.5	30.5	30.6

Source: *Ibid.*

During most of the period since 1950, the rate of unemployment in Illinois has been less than that for the United States as a whole. The rates for the nation and the State since 1961 are shown in Table G-6.

Table G-4

PER CAPITA PERSONAL INCOME BY SELECTED REGIONS AND STATES

(In millions of dollars)

	1950	1960	1965	1966	1967
United States	$1,496	$2,215	$2,760	$2,963	$3,137
Mid East	1,756	2,565	3,117	3,325	3,534
New York	1,873	2,746	3,286	3,497	3,726
Pennsylvania	1,541	2,242	2,750	2,968	3,149
Great Lakes	1,666	2,383	3,010	3,229	3,392
Illinois	1,825	2,650	3,302	3,532	3,735
Michigan	1,700	2,324	3,060	3,269	3,393
Ohio	1,620	2,334	2,845	3,056	3,212
Indiana	1,512	2,188	2,867	3,076	3,241
Wisconsin	1,477	2,175	2,740	2,973	3,153
Far West	1,801	2,622	3,176	3,384	3,588
California	1,852	2,710	3,261	3,457	3,660
Illinois rank among 50 states	9	9	4	4	4

Source: *Ibid.*

State sources predict little change in unemployment rates in Illinois for the near term future:

Table G-6

UNEMPLOYMENT RATES

(As percentage of total civilian work force)

Year	United States	Illinois
1961	6.7	5.9
1962	5.5	4.7
1963	5.7	4.4
1964	5.2	3.9
1965	4.5	3.3
1966	3.8	2.8
1967	3.8	3.1

Source: U.S. Dept. of Labor *Employment & Earnings: Monthly Report on Labor Force.* (Washington, D.C., U.S. Government Printing Office.) May 1968.

Average weekly earnings of employees in the non-agricultural industries of the United States and Illinois are presented in Table G-7 for 1960 and 1965 to 1967. Average weekly earnings in Illinois are well above the national averages in most reported industries. This is particularly significant in view of the fact that the Consumer Price Index for Illinois averaged about 2.4 per cent less than the National Index during this period.

Projections of Economic Change

In 1966, the Illinois Department of Business and Economic Development contracted with a research group at the University of

Table G-5

DISTRIBUTION OF EMPLOYED CIVILIAN WORK FORCE BY INDUSTRY IN ILLINOIS
1967

Industry	Number of Employees	Per Cent of Total Employment
Manufacturing		
Durable	927,100	19.6
Non-durable	465,700	9.8
Total	1,392,800	29.4
Non-Manufacturing		
Mining	24,900	.5
Contract construction	175,700	3.7
Transportation, communications, and public utilities	287,400	6.1
Wholesale trade	267,300	5.6
Retail trade	634,200	13.4
Finance, insurance, and real estate	213,800	4.5
Service and miscellaneous	632,400	13.4
Government service	571,900	12.1
	2,807,600	59.3
Agriculture	143,800	3.0
Other	394,400	8.3
Total employment	4,738,600	100.0

Source: Illinois Bureau of Employment Security, *Civilian Work Force, Unemployment and Employment by Industry, in Illinois, 1967,* Summary Sheets.

Table G-7

AVERAGE WEEKLY EARNINGS FOR THE UNITED STATES AND ILLINOIS BY INDUSTRY

Major Non-Agricultural Industry	1960		1965		1966		1967	
	U.S.	Ill.	U.S.	Ill.	U.S.	Ill.	U.S.	Ill.
Manufacturing	$90	$98	$108	$117	$112	$123		$125
Durable	97	100	117	120	122	126	$124	127
Non-durable	80	94	96	111	99	117	102	121
Non-Manufacturing								
Mining	105	118	124	114	131	158	136	168
Contract construction	113	136	138	169	146	177	154	194
Transportation		128		154		162		168
Communication		94		118		123		125
Public utilities		122		154		159		166
Wholesale trade	91	105	107	125	111	131	117	136
Retail trade	58	67	67	77	69	78	71	80
Banking	75	78	89	88	93	91	97	97
Insurance		91		95		99		103

Sources: U.S. Department of Labor, *Handbook of Labor Statistics 1968.* (Washington, D.C., U.S. Government Printing Office) Bulletin No. 1600, p. 166.

U.S. Department of Labor, *Employment & Earnings Statistics for States and Areas.* (Washington, D.C., U.S. Government Printing Office) pp. 214-229.

Illinois to prepare a series of socio-economic studies which included projections of the State's economic development. These studies appear to be the only comprehensive analyses of their kind.

The following statements are excerpts or paraphrases from the summary report,* relating to projections of population, income, industrial trends, and labor force participation.

1. The total population of Illinois in 1980 will be 12.9 million, or 30 per cent more than the 1960 total of 10.1 million. By the year 2020, the population will be 20 million, twice the 1960 figure. The projected rate of population growth for the

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*Ferber, Robert, *Long Range Economic Planning in Illinois.* (Springfield, Department of Business and Economic Development.) 1967.

State is, however, below that projected for the nation as a whole.

2. The largest increases in population in the next two decades are expected to be in the numbers of younger people, particularly those between the ages of 15 and 30.
3. Although total personal income is expected to increase over the next 50 years at a rate somewhat below that of the nation, the State will continue to be one of the wealthiest in the nation.
4. Personal income in 1967 was $40 billion; by 1980, this total will be some $54 billion; and by 2020 it will be nearly $230 billion.
5. Per capita personal income should rise from $3,700 in the late 1960's to over $4,200 by 1980, and to $7,800 by 2020. Not all regions of the State are expected to grow at the same rate, however.
6. In terms of both income and employment, the future growth of the State will depend primarily on the service industry. Major increases in employment in the service industries are likely to be in government, medical services, and business services. The medical services industry should surpass retailing as the primary source of employment for people in the service industries by the year 2000.
7. It is projected that agriculture, mining, and construction will employ fewer persons in 1980: 38 per cent fewer in agriculture, 41.9 per cent fewer in mining, and 23 per cent in construction than in the mid 1960's. Manufacturing will increase its number of employees by 24 per cent and the service industries by 71 per cent.
8. The labor force participation rate of men is expected to decline. For women, labor force participation should sharply increase. The expected decrease in participation by men will result from further increases in requirements for advanced education and from earlier retirement.

State Tax Base

Contrasted with major states as well as states in the Great Lakes region, Illinois has a relatively low state tax burden. Table G-8 presents data on population, personal income, and state taxes collected in 1967 in selected states. The table also shows the proportion of state tax revenue to total personal income, and the per capita state tax revenue. Among the major states (in terms of population and total personal income), Illinois ranks third lowest in the proportion of tax revenue to total personal income. Among states with a population of eight million or more, Illinois ranks lowest.

Table G-8

TOTAL POPULATION, TOTAL PERSONAL INCOME, AND TOTAL STATE TAXES IN SELECTED MAJOR STATES IN 1967

	Population*	Total Personal Income**	Total State Taxes**	Ratio of Tax to Income	Per Capita State Taxes
All States	197,863	$620,568	$31,926	5.1	$161.35
California	19,153	70,097	3,485	5.0	181.96
New York	18,336	68,315	4,056	5.9	221.20
Pennsylvania	11,629	36,624	1,769	4.8	152.12
Illinois	10,893	40,575	1,450	3.6	133.11
Indiana	5,000	29,125	771	2.7	154.20
Michigan	8,584	33,590	1,531	4.6	178.36
Ohio	10,458	16,205	1,158	7.2	110.73
Wisconsin	4,189	13,208	921	7.0	219.86
Texas	10,869	29,385	1,336	4.6	122.92
New Jersey	7,003	25,377	834	3.3	119.09
Florida	5,995	16,765	877	5.2	146.29
Massachusetts	5,421	18,909	954	5.1	175.98

*In hundreds of thousands.
**In millions.

Sources: American Council on Education, *A Fact Book on Higher Education*. (Washington D.C.) Second Issue 1968; U.S. Dept. of Commerce, Bureau of the Census. *State Government Finances in 1967*. (Washington: Government Printing Office.)

Illinois is also third lowest in per capita state tax revenue among the major states; it appears to be maintaining its 1966 ranking which was reported to be 40th among all the states. In 1966, the average tax revenue per capita for all states was $150.63 compared to $161.25 in 1967. In 1966, Illinois had a per capita tax revenue of $127.33, compared to $133.11 in 1967. The State has been well below the national average for both years.

Table G-9 shows 1967 revenue by tax source for selected major states both in dollar amounts and as percentages of total taxes. Illinois derived 49.1 per cent of its state revenue through the general sales and gross receipts taxes. The second major source of tax revenue is the selected sales and gross receipts taxes. In this latter category, motor vehicle fuel, tobacco products, and public utility taxes are of greatest importance.

Of the 50 states in 1967, Illinois was one of 12 without a corporate income tax and one of 13 without a personal income tax. Illinois has not levied taxes on real property since 1933.

Summary

The data on the economic and tax base of the State of Illinois underline the strong and prosperous condition of its economy. They show clearly that Illinois is capable of expanding its support of education. As noted in the text, the Commission concluded that the State can afford the cost of direct financial assistance to the private institutions while adequately supporting its public institutions and its significant programs of assistance to students.

Table G-9

STATE REVENUE BY TAX SOURCE FOR SELECTED MAJOR STATES IN 1967

(In thousands)

	Total Taxes	General Sales and Gross Receipts	Selected Sales and Gross Receipts	Total License Taxes	Individual Income	Corporate Income
All States	$31,926,135	$8,922,856	$9,651,795	$3,624,481	$4,909,140	$2,226,633
California	3,485,125	1,061,491	888,464	273,232	499,470	452,574
New York	4,056,275	604,327	896,255	314,981	1,527,087	443,738
Pennsylvania	1,769,322	637,386	555,338	242,960		244,503
Illinois	1,450,326	712,946	511,494	176,516		
Indiana	771,300	300,881	203,561	64,900	158,475	14,462
Michigan	1,530,806	680,360	379,212	240,300		
Ohio	1,157,817	367,282	503,964	216,028		
Wisconsin	921,051	97,727	205,540	77,172	369,240	102,813
Texas	1,335,847	259,435	560,134	207,316		

Table G-9 (Continued)

STATE REVENUE BY TAX SOURCE FOR SELECTED MAJOR STATES IN 1967

(Per cent of total taxes*)

	Total Taxes	General Sales and Gross Receipts	Selected Sales and Gross Receipts	Total License Taxes	Individual Income	Corporate Income
All States	100.0	27.9	30.2	11.3	15.3	7.0
California	100.0	30.5	25,5	7.8	14.3	13.0
New York	100.0	14.9	22.1	7.8	37.6	10.9
Pennsylvania	100.0	36.0	31.4	13.7		13.8
Illinois	100.0	49.1	35.3	12.1		
Indiana	100.0	40.0	26.7	8.4	20.5	1.8
Michigan	100.0	44.5	24.8	15.7		
Ohio	100.0	31.7	43.5	18.7		
Wisconsin	100.0	10.6	22.3	8.4	40.1	11.2
Texas	100.0	19.4	41.9	15.5		

Sources: *State Government Finances in 1967, op. cit.*

*The particular tax source composition given in this table represents at least 91% of the tax revenue in each state with the exception of Texas and Michigan. For Texas, these sources represent only 77% of the total, since one of the major sources of tax revenue, its severance tax which accounts for 18.3% of the revenue, is not included. Property tax revenue is not included for Michigan.